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Japan

Kaifu: U.S. Candidates Lack Ethical Standards

OW1309111791 Tokyo KYODO in English 1050 GMT 13 Sep 91

["American Candidates Lack Ethics, Kaifu Says"—KYODO headline]

[Text] Tokyo, Sept. 13 KYODO—Prime Minister Toshiki Kaifu told the Diet on Friday that American candidates in congressional elections are lacking in ethical standards.

Defending his political reform bills against criticism that they would invite the same problems plaguing the American election system, Kaifu said, "I don't think American candidates observe very strict ethical codes."

"U.S. laws do not allow unlimited spending, but politicians are still permitted to use (ample) funds," he said.

He was responding to a question by Liberal Democratic Party (LDP) questioner Hosei Norota during a session of the House of Representatives' special committee on political reform.

Norota, opposing an introduction of single-seat electoral districts in general elections for the lower house, maintained that the single-seat system encourages politicking in favor of narrow interest groups.

As an example, Norota cited the practice of some U.S. Congress members to propose anti-Japanese trade legislation when important constituents are unable to compete with Japanese industry.

Kaifu is fighting to gain support for his proposal to replace three- to five-seat constituencies with single seats, and to tighten rules on political fundraising.

Clarifying his remarks to reporters later, Kaifu said he had no intention of slandering U.S. politicians.

The prime minister said he wanted to point out there is no similar legal control on campaign funds in the United States as there is in Japan.

Panel Proposes Maintaining U.S. Treaty

OW1309151191 Tokyo KYODO in English 1425 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Japan would be able to send the Self-Defense Forces (SDF) overseas under a concept of international security guaranteed by the United Nations, according to a draft report by the ruling Liberal Democratic Party (LDP).

An LDP panel on Japan's international contribution will submit the report to Prime Minister Toshiki Kaifu in late October.

The seven-point draft report, obtained Friday by KYODO NEWS SERVICE, suggests SDF personnel could be sent to disputed areas overseas by introducing the new security concept based on Article 43 of the U.N. Charter.

The article stipulates the U.N. is able to call on member states to participate in U.N. forces to maintain peace and order in conflicted areas.

The draft advocates a concept which guarantees the security of all countries—in view of possible regional disputes following the end of the cold war.

The LDP group, which compiled the report, is headed by former LDP Secretary General Ichiro Ozawa.

The report says the concept would enable SDF personnel to join U.N. and multinational forces overseas, despite restrictions in the Japanese Constitution.

The report points to the necessity for overseas military assistance, saying Japan should revise the Self-Defense Forces (SDF) law to allow for SDF duties that would contribute to international society.

In order to make SDF overseas dispatch possible, the report urges strong political leadership and a change in the consciousness of the Japanese people, who it says are isolated from world views on the need to defend peace internationally.

The report also proposes maintaining the Japan-U.S. Security Treaty and securing a permanent seat of the U.N. Security Council.

BOJ Source Praises Cut in U.S. Lending Rate

OW1309155291 Tokyo KYODO in English 1517 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Pressure on Japan to cut its official discount rate will build further following a decision by the U.S. Federal Reserve Board [Fed] on Friday to lower its key lending rate, financial analysts here said Friday.

The Fed lowered its key discount rate, which it charges member banks for loans, by 0.5 percentage point to 5.0 percent.

But the Bank of Japan (BOJ) will carry out its own monetary policy befitting domestic economic conditions, a BOJ source said.

He denied that a coordinated rate cut with the U.S. would be a major contribution to the global community.

Japan, however, will not escape mounting foreign pressure to correct its burgeoning trade surplus through expanded domestic demand, the analysts said.

The BOJ will have a hard time deciding when to implement another cut in its key lending rate as Japanese industry executives prod it to ease credit to put an end to the slowing of the domestic economy, they said.

The Japanese central bank reduced its official discount rate by 0.5 point to 5.5 percent July 1, after a series of five rate hikes that raised it from a historic low of 2.5 percent in May 1989 to a high of 6.0 percent in August 1990.

The BOJ source praised the latest U.S. rate cut as a measure aimed at promoting growth without inflation.

The U.S. Fed had last lowered the discount rate from 6.0 percent to 5.5 percent on April 30.

However, the BOJ source contended that the latest U.S. rate cut has nothing to do with Japanese monetary policy because of an earlier agreement by finance ministers and central bankers of the Group of Seven (G-7) leading industrialized nations that each country would give priority to its own monetary policy.

But an international financial source said the issue of lower interest rates will be on the agenda at the G-7 meeting of finance ministers and central bankers next month in Bangkok, Thailand.

Japan will be forced to implement an early cut in its discount rate to avoid looking as though it was pressured into taking the action by the meeting, said an analyst with a major commercial bank.

MITI Worried About Demands on Car Trade

OW1309150091 Tokyo KYODO in English 1327 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—The Ministry of International Trade and Industry (MITI) is worried the United States will press Japan to set up a stricter agreement on car trade similar to a trade accord between Japan and the European Community (EC), ministry sources said Friday.

The ministry has received reports from France that U.S. Trade Representative Carla Hills told Japanese minister of International Trade and Industry Eiichi Nakao there are demands back home for such a pact.

The two trade negotiators are now in Angers, south of Paris, for three-day annual quadrilateral trade talks, which started Thursday with EC and Canadian counterparts.

According to the sources, MITI has been anxious about the possibility of such a demand from the U.S., where the sluggish automobile industry is taking a harder stance against Japanese imports.

Hills' comment was interpreted as a U.S. warning for measures against free trade, the sources said, adding MITI is concerned a stricter line would come out during bilateral trade talks over Japan's voluntary restriction of car exports to the U.S.—to be negotiated within the next few months.

During the meeting with Nakao, Hills reportedly asked him whether the numbers of Japanese car exports to the EC agreed to be frozen in the Japan-EC pact include automobiles produced in Japanese-owned factories in the EC or the U.S.

Hills was reported as expressing anxiety the accord might affect U.S. car exports to the EC if it controls all Japanese cars regardless of production site.

She said if that happens, there would stronger [as received] calls in the U.S. to control its car trade with Japan.

In the accord, Japan is to restrict car exports to the 12-nation trade bloc to an annual 1.23 million cars until 2000.

Nakao reportedly told Hills that Japanese cars produced within the EC are not included in the accord, and EC-bound shipments from the U.S. will not be affected.

Mizuno Reportedly Sent Fraud Funds to U.S.

OW1409091891 Tokyo KYODO in English 0630 GMT 14 Sep 91

[Text] Tokyo, Sept. 14 KYODO—Former President of real estate company Ken International, Ken Mizuno, sent some 60 billion yen, earned from alleged fraud in overselling memberships to a golf club in Ibaraki Prefecture, to the United States over several years, sources said Saturday.

Mizuno, 56, the de facto owner of the Ibaraki Country Club, a golf course, probably used the money to invest in real estate in the U.S. since he was developing business in hotels and restaurants there, they said.

According to the sources, the 60 billion yen he sent overseas is partly from the 100 billion yen Hitachi Kanko Kaihatsu, developer of the golf course, earned through selling Ibaraki Country Club memberships and money Mizuno allegedly earned by selling memberships at other golf clubs.

On Tuesday, Tokyo police raided and searched Ken International, Hitachi Kanko Kaihatsu, and golf club membership sales firm Sanki Co. on suspicion of misleading clients in door-to-door sales.

Hitachi Kanko Kaihatsu has been slapped with a lawsuit filed last month by members of the Ibaraki Country Club, who say the company claimed it offered only 2,800 memberships at the golf club, while it actually admitted 49,000 members to raise 100 billion yen.

The golf course developer went bankrupt last week, with debts of some 110 billion yen.

Of the 60 billion yen Mizuno allegedly sent to the U.S., police have obtained a copy of a bank remittance document for 4 billion yen.

According to a copy obtained by KYODO news service, the 4 billion yen was remitted to the U.S. on May 2, 1990, from Hitachi Kanko Kaihatsu at the instruction of Mizuno.

The copy showed the money was sent to the U.S. branch of the firm, and the aim of the remittance was "real estate investment."

According to police investigations, the 100 billion yen went to Hitachi Kanko Kaihatsu, from Sanki Co., which undertook some of the sales. Of the sales, 70 billion yen went to Mizuno while the rest was reportedly used for construction work at the golf club.

Mizuno claims that he received only 50 billion yen from Sanki Co.

Okinawan Labor Union Urges Contract Revision

OW1309233391 Naha RYUKYU SHIMPO in Japanese 12 Sep 91 Morning Edition p 2

[Text] The local headquarters of All-Japan Garrison Forces Labor Union [Zenchuro] (chairman: Misao Kamiyama) staged a sit-in strike in front of the U.S. Marine Corps [USMC] Okinawa Base headquarters at Ishihira, Kitanakagusuku, from 0800 to 1700 on 11 September, calling for revisions of employment contracts and agreements involving base employees.

Consultations on revisions to the contracts and agreements are under way under the new "Special Agreement," which sets forth that labor costs for U.S. military base employees will be fully borne by Japan. The date set as a guide for reaching an accord in 1 October. Starting on 11 September, Zenchuro is scheduled to stage unified nationwide strikes in four waves—on 19 and 26 September and 3 October, respectively.

At the 11 September sit-in, approximately 150 union members gathered in front of the USMC base headquarters. They shouted toward the base: "U.S. forces and the Japanese Government, drastically improve the current contracts and agreements," before beginning the sit-in.

Appealing for unity, Chairman Kamiyama said: "As a result of the Japanese side bearing labor costs, the responsibility of the Japanese Government as our employer has become clear. Let us do everything in our power to effect revisions in the contracts and agreements based on treatment of base employees corresponding to public servants, applying Japanese laws and decrees."

Zenchuro calls for a review of the provisions of the former employment contract in effect during the time when the U.S. side was bearing labor costs and for an improved employment system. It calls for improvements in: 1) the wage system; 2) a special leave system; 3) employment conditions for employees on a probationary period; 4) the observance of the Labor Standards Law and the Labor Safety and Sanitation Law; 5) amendments to the employment system corresponding to public servants; and 6) the conclusion of a labor agreement.

Kadena Rally Protests Transfers From Clark

OW1409042291 Naha RYUKYU SHIMPO in Japanese 13 Sep 91 Morning Edition p 2

[Text] Some 800 people (as announced by sponsors)—including labor union members, representatives of various political parties, and local government leaders—attended a rally sponsored by the Center for the Prefectural Council of Labor Unions [CPCLU], the Prefectural People's Council To Defend the Constitution and To Oppose the Security Pact, the Japan Council Against Atomic and Hydrogen Bombs, and labor unions of various districts. The rally was held at a vantage point facing Kadena Air Base in Kadena Town, which is generally known as the Hill for Viewing Anpo [the Security Pact], beginning at 1800 [0900 GMT] on 12 September. It was held to appeal for the immediate withdrawal of C-141 transport planes and personnel that have been transferred to Kadena Air Base from Clark Air Base in the Philippines. The rally adopted resolutions demanding the withdrawal of transferred units that might lead to the reorganization and strengthening of the military bases on Okinawa and opposing the PKO (UN peacekeeping operations) participation bill. Moreover, Shusei Arakawa, Okinawa city mayor and president of the Association of Town and Village Mayors in Central Okinawa, made a speech calling for solidarity and stated that all 13 town and village mayors in central Okinawa had endorsed the appeal demanding the immediate withdrawal of these units.

At the start of the rally, which was held amid drizzling rain, all the participants shouted in unison: "Oppose the strengthening of military bases! Send those transferred units back!" On behalf of the sponsoring organizations, CPCLU Chairman Tomoharu Kayoda first pointed out in his opening speech that "the U.S. strategy now attaches importance to confrontations of less intensity, and accordingly the functions of the military bases on Okinawa will now be strengthened once again." He called for strengthening the mass movement by stating: "Let us resolutely stop the transfer of units that may turn out to be permanent deployments!"

Then several leaders made speeches appealing for solidarity. Among them are Zenshun Arakaki, chairman of the prefectural headquarters of the Social Democratic Party of Japan; Shoshun Kina, deputy general secretary of the Social Mass Party; Yasushige Enomoto, Okinawa City Assemblyman of the Komeito; Shusei Arakawa, Okinawa city mayor; and Eizaburo Yamaguchi, vice mayor of Kadena Town. Moreover, Masao Arume, chairman of the Central Okinawa Labor Union Council; Eitoku Iha, vice chairman of Prefectural People's Council To Defend the Constitution and To Oppose the Security Pact; and others expressed their determination to organize movements to demand the withdrawal of these units.

In his speech, Okinawa Mayor Arakawa stressed "his position as the administrator responsible for safeguarding the security and livelihood of the citizens" and appealed for the "withdrawal of these units" as the general consensus of the Association of the Cities and Towns in Central Okinawa. This was the first appeal for solidarity that the Association of the Cities and Towns in Central Okinawa has ever announced.

Moreover, Chairman Arume of the Council for Labor Unions in Central Okinawa made a proposal for "holding another rally of prefectural residents to call for the withdrawal of these units." In addition to the plan for calling on city and town assemblies to adopt resolutions on the appeal, the CPCLU has decided to work out various plans to promote the movement. While watching for the development of unit transfers from Clark Base to Kadena Base, the CPCLU will prepare to sponsor a mass rally of the prefectural residents.

Passes Resolution on Military

OW1509130991 Naha RYUKYU SHIMPO in Japanese 13 Sep 91 Morning Edition p 2

['Summary' of resolution adopted at a protest rally held in Kadena Town on 12 September]

[Text] The strengthening of U.S. military bases in Okinawa is progressing against the global antinuclear and disarmament trends. The commander of the 603th military airlift unit in Kadena Air Base announced: "We have requested more support personnel to carry out increased duties, because of the closure of Clark Air Base, and our request has been met." Seven C-141 transport planes and 150 personnel are set to move into Kadena Air Base, which means the air base would be assuming more duties. The duties of the U.S. military bases in Okinawa cover as far as the Indian Ocean, and this is an act of deviation from the Japan-U.S. Security Treaty. We absolutely cannot permit this.

Seventy-five percent of U.S. military bases are concentrated in Okinawa. [as published] U.S. forces in Okinawa conduct every-day military training, posing a threat to lives and property of Okinawans. U.S. military bases have been strengthened as a key part of the U.S. global military strategy, and U.S. forces in Okinawa intend to reorganize and strengthen themselves to prepare for low intensity conflicts.

The Japanese Government is in a hurry to legislate a PKO bill to pave the way for sending members of the Self-Defense Forces abroad, and we have to step up our campaign against this government's plan.

According to reports by U.S. forces, a decision will be made by 16 September on where Clark Air Base will be moved and Kadena Air Base is cited as a candidate for this movement. This runs counter to the feelings of the Okinawan people.

We oppose any attempt to strengthen U.S. military bases in Okinawa to use them as a substitute for Clark Air Base and demand an immediate withdrawal of U.S. military units which have moved to Okinawa.

Nakayama To Attend UN General Assembly Opening

OW1509061191 Tokyo KYODO in English 0550 GMT 15 Sep 91

[Text] Tokyo, Sept. 15 (KYODO)—Foreign Minister Taro Nakayama will head to New York later this week to attend the U.N. General Assembly opening Tuesday, ministry officials said Sunday.

Nakayama will also hold separate talks there with his counterparts from the United States, the Soviet Union, and other countries, the officials said.

In his speech at the U.N. General Assembly on September 24, Nakayama will call for the creation of a U.N. registry covering all international trade of conventional weapons in line with the organization's peacekeeping role, they said.

Nakayama will meet Soviet Foreign Minister Boris Pankin for the first time since the failed coup last month and attend a meeting of foreign ministers of seven major industrial powers.

Nakayama is expected to urge Pankin to settle the Japan-Soviet territorial dispute as soon as possible. He also plans to express Japan's readiness to provide emergency food and medical assistance to the Soviets this winter.

The Japanese foreign minister will also have separate meetings with U.S. Secretary of State James Baker, Chinese Foreign Minister Qian Qichen and South Korean Foreign Minister Yi Sang-ok.

Nakayama also plans to meet Prince Norodom Sihanouk, chairman of the Cambodian Supreme National Council, and other Asian and African leaders to seek support for Japan's bid to become a nonpermanent member of the U.N. Security Council.

Hashimoto Comments on Economic Aid to USSR

OW1309112991 Tokyo NHK General Television Network in Japanese 1000 GMT 12 Sep 91

[Text] In connection with U.S. Treasury Secretary Brady's decision to visit the Soviet Union to discuss aid for the Soviet Union, Finance Minister Ryutaro Hashimoto said that it would be necessary for a responsible person of the Japanese financial authorities to visit the Soviet Union. Thus, he hinted at taking a more flexible position on this issue than ever before. [Video shows Hashimoto speaking at a press conference]

At the press conference, Minister Hashimoto touched on U.S. Treasury Secretary Brady's decision to visit the Soviet Union, and said that he is very much interested in Mr. Brady's visit to the Soviet Union and hopes to hear his assessment of what is going on in the country now. This seems to suggest that talks will be held between the Japanese finance minister and the U.S. treasury secretary after Mr. Brady's return from the Soviet Union.

Then, he added that as the responsible person of the Japanese financial authorities, he would also want to pay a visit so as to have firsthand knowledge of the actual situation. Thus, he indicated his intention to visit the Soviet Union in order to find out how Japan should provide economic assistance to the Soviet Union.

It is noted that Minister Hashimoto's remarks suggest that in view of the changes in the Soviet Union's approach toward the northern territories and other issues, Japan for its part will have to take a more flexible attitude on the issue of economic assistance than ever before.

Government Encouraged by Soviet Moves on Treaty

OW1309131191 Tokyo KYODO in English 1202 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—The Japanese Government is encouraged by recent Soviet moves toward conclusion of a Japan-Soviet peace treaty, a senior Japanese Foreign Ministry official said Friday.

Deputy Foreign Minister Kunihiko Saito, who recently returned from Moscow, said the Soviet Union is showing a positive stance on solving bilateral issues, namely the peace treaty and a territorial dispute.

Briefing reporters and members of the National Press Center on his August 27-29 trip to Moscow, Saito said "the atmosphere is getting better. We will make utmost efforts not to miss this occasion for negotiation."

He cited the purge of hard-line forces in the Soviet Union after their botched coup attempt and the Russian Federation's positive stance toward the treaty with Japan as main reasons behind the improvements.

Saito visited Moscow as a special emissary of Prime Minister Toshiki Kaifu. He met Soviet President Mikhail Gorbachev and Russian Federation President Boris Yeltsin to hand over letters from Kaifu proposing the treaty be concluded and relations completely normalized.

Saito also said the Foreign Ministry was encouraged by what acting Russian Parliament Speaker Ruslan Khasbulatov told Kaifu during his five-day visit to Japan that ended Friday.

"Yeltsin previously proposed a five-stage process on the treaty, which Japan could never accept. But Khasbulatov said they want to accelerate the process," Saito said.

Yeltsin had proposed the treaty be signed in 15 to 20 years, leaving the final decision on disputed territories to the next generation.

Japan and the Soviet Union have not signed a peace treaty since the end of World War II, due to Soviet occupation of four islands off Hokkaido—Kunashiri, Etorofu, Shikotan, and the Habomais. The islands are under the jurisdiction of the Russian Federation.

"Khasbulatov also said they want to develop bilateral relations based on legality and justice. But we cannot be too optimistic about the timing of the return of the four islands," Saito said, citing public opinion within Russia where some 75 percent are opposed to giving them up.

On assistance to the Soviet Union, he said the government has already decided to disburse 100 million dollars and is also scheduled to offer technical cooperation as soon as possible.

"But we cannot make a concrete plan of large-scale financial aid until we know how the Soviet Union's economic reforms are going to be carried out."

Saito said although complete cooperative relations will come after conclusion of the treaty, it does not mean Tokyo will not provide further assistance, which will depend on negotiations.

Nakao on Soviet Admission Into GATT

OW1409015091 Tokyo NHK General Television Network in Japanese 1000 GMT 12 Sep 91

[Text] Eiichi Nakao, minister of international trade and industry, is currently visiting Paris to attend the four-way trade talks scheduled to start on 14 September. In an NHK interview, Minister Nakao disclosed Japan's intention to make a positive proposal at the four-way trade talks that the Soviet Union be admitted to GATT. The four-way trade talks to be attended by trade ministers of Japan, the United States, the European Community, and Canada, will open in suburban Paris tomorrow, and consultations will be held on such issues as the assistance for the Soviet Union and the measures to deal with the GATT's Uruguay Round, which aims at reaching an accord by the end of this year.

Before attending the meeting, MITI Minister Nakao granted an interview to NHK at a Paris hotel. When asked about the issue of Soviet assistance, he replied:

[Begin Nakao recording] Japan for its part would like to help integrate the Soviet Union into the so-called free trade system of the West as soon as possible. Then we hope that the Soviet Union will work closely with Western nations and shift to a market economy so that it will be able to promote free trade within the GATT's framework and enjoy coexistence and coprosperity with the West. [end recording]

These were the remarks of MITI Minister Nakao. Moreover, he disclosed Japan's intention to make a positive proposal for the Soviet Union's admission to the GATT at the four-way trade talks that will begin tomorrow. Concerning Japan's full-scale financial assistance to the Soviet Union, MITI Minister Nakao indicated Japan's cautious approach by saying that Japan will have to wait to see whether Soviet economic reforms will be carried out as hoped.

DPRK Official May Stop Over at Airport

OW1509063991 Tokyo KYODO in English 0623 GMT 15 Sep 91

[Text] Tokyo, Sept. 15 (KYODO)—North Korean Premier Yon Hyong-muk or Vice Premier Kim Yong-nam may stop over at Narita Airport later in the month en route to New York for a United Nations General Assembly session, informed sources said Sunday.

North Korea, however, has not yet informed Japan of such a visit, which would be the first by a leader from the Pyongyang Government. North Korea has no diplomatic relations with Japan.

The Japanese Government will extend its hospitality if notified by North Korea, a Foreign Ministry official said.

Makoto Tanabe, who heads the leading opposition Social Democratic Party, said he is prepared to meet a North Korean leader should one decide to visit Japan.

Either Yon or Kim, who is also foreign minister, is expected to deliver a speech at the U.N. General Assembly, which is expected to approve separate membership for North and South Korea.

DPRK Charter Plane Lands at Narita Airport

OW1309110291 Tokyo KYODO in English 1004 GMT 13 Sep 91

[Text] Narita, Chiba Pref., Sept. 13 KYODO—A charter plane of North Korea's civil aviation company carrying the nation's light music orchestra arrived at new Tokyo International Airport here shortly after noon Friday.

It was the second North Korean airliner to land at Narita after the first carried an athletic delegation for the Kobe Universiade in August 1985.

The aircraft arrived at its scheduled gate position at a boarding area next to a South Korean airliner preparing to depart.

The South Korean airliner took off shortly after and was replaced by yet another South Korean aircraft.

"That was an unusual step the airport traffic directors made," an airport official said of the docking arrangement.

Cambodian Premier Asks for Cooperation

OW1509082991 Tokyo KYODO in English 0641 GMT 15 Sep 91

[Text] Tokyo, Sept. 15 KYODO—Cambodian Prime Minister Hun Sen called for Japan's cooperation Sunday in finalizing a peace plan to end Cambodia's 13-year-old conflict.

Hun Sen, in a stopover here en route to New York to attend the UN General Assembly, made the request at a 90-minute meeting with former Finance Minister Michio Watanabe at a Tokyo hotel, Japanese officials said.

Although the peace plan brokered by the five permanent members of the UN Security Council calls for demobilizing all of each warring faction's troops, the four factions agreed in August to reduce troops and weapons by 70 percent, Hun Sen said.

Hun Sen, leader of the Vietnam-backed Phnom Penh Government and a party to the peace talks, called on Japan to respect the agreement.

He said he wants to resolve remaining obstacles, including disagreements over an election system, to make a comprehensive settlement at meetings of the Cambodian Supreme National Council (SNC) in New York.

The SNC includes all factions and represents Cambodian sovereignty until elections are held.

Hun Sen urged Japan to provide economic assistance after peace is achieved in Cambodia.

Watanabe said he will support the agreement and convey Hun Sen's remarks to Foreign Minister Taro Nakayama.

Kaifu Pushes UN Forces Bill Despite Dispute

OW1409014491 Tokyo KYODO in English 1536 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 (KYODO)—The government of Prime Minister Toshiki Kaifu will soon submit a bill on Japan's participation in U.N. peacekeeping operations [PKO] despite disagreement between his ruling Liberal Democratic Party (LDP) and the opposition camp, LDP Secretary General Keizo Obuchi indicated Friday.

Obuchi met with secretaries general of two centrist parties, Komeito and the Democratic Socialist Party (DSP), Friday in a last-minute effort to jointly work out the bill.

Obuchi told reporters he and DSP Secretary General Keigo Ouchi however failed to agree on the terms of the Self-Defense Forces (SDF) participation in U.N. peacekeeping operations.

He said the government will submit the U.N. Peacekeeping Cooperation Bill to the Diet (parliament) as early as possible.

The LDP has no intention of continuing talks with the DSP and Komeito, Obuchi said.

The bill will be submitted to the Diet shortly after the cabinet gives the bill formal approval on Thursday, he said.

The government will at the same time submit to the Diet a separate bill on Japan's international emergency relief activities, which will call for the SDF's participation in those activities, he said.

The relief disaster bill is aimed at enabling Japan to dispatch the SDF to help foreign countries suffering from natural disasters.

The disagreement between the LDP and the DSP over SDF participation in the U.N. peacekeeping forces came when the LDP rejected a DSP demand that parliament should endorse participation prior to the SDF joining any U.N. mission.

Komeito, the country's second-largest opposition party, did not side with the DSP, saying only that the government should report to the Diet before and after the dispatch of the SDF to the U.N. peacekeeping forces.

The LDP agreed to the proposal by Komeito, Obuchi said.

Obuchi said the government has no alternative but to submit the bill to the Diet as the current extraordinary parliament session will end on October 4.

The LDP has a comfortable majority in the 512-seat House of Representatives, but is in the minority in the 252-seat House of Councillors. The LDP needs support from Komeito to win approval for the bill from the opposition-controled upper chamber.

Keidanren Urges Efforts To Restore Ethics

OW1409052391 Tokyo KYODO in English 0507 GMT 14 Sep 91

[Text] Tokyo, Sept. 14 (KYODO)—Corporations should increase efforts to restore corporate ethics, including severing links with Yakuza crime syndicates, the nation's most powerful business group says in a document obtained Saturday by KYODO NEWS SERVICE.

The Action Program, drafted by the Federation of Economic Organizations (Keidanren), urges corporations not to commit themselves to unsocial behavior, including giving benefits to Yakuza, saying that businesses must contribute to society.

It also strongly calls on corporations to end business practices opaque to outsiders, obey trade rules stipulated in the fair trade law, and to do their business at their own risk.

The appeal apparently refers to the recent brokerage scandal, in which a number of big corporations received compensation from brokerages for their securities investment losses but denied knowledge of the paybacks.

The Action Program also appeals to corporations to strengthen their internal checks on possible unfair business deals, urging them to set up an in-house body to monitor them, make regular internal investigations, and take action against employees involved in such deals.

Keidanren is the first business group to map out such an action program following a series of corporate scandals, including the brokerage one, sources familiar with the program said.

The sources said Keidanren will appeal to each corporation for working out its own action program to prevent fraud and scandals after the program is formally announced next week, probably next Friday.

Ministry To Consider Further Revision of Law

OW1309163191 Tokyo KYODO in English 1031 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—The Finance Ministry will consider a further revision of the Securities and Exchange Law as recommended by government advisers, a top ministry official said Friday.

The official said there should be heavier fines on violators of the new rules on loss compensation.

He was commenting on a bill for revising the law that was approved by the cabinet earlier in the day for presentation to the Diet.

The legislative council, an advisory body for the justice minister, is expected to propose a further revision in November, he said.

The pending legislation calls for a ban on unfair kickbacks by brokerages to clients, a prevailing practice brought to light by the recent stock scandal.

Brokerage personnel who pay compensation for investment losses will face imprisonment of up to one year or fines of up to 1 million yen.

Investors who ask for and receive refunds could be imprisoned for up to six months or fined up to 500,000 yen.

Brokerages and corporate clients are liable to fines of up to 1 million yen and 500,000 yen, respectively. Critics say heavier fines should be imposed on the companies.

Businesses Support Proposal on Financial Watchdog

OW1309170491 Tokyo KYODO in English 1235 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Japanese business leaders Friday supported a government advisory panel's final proposal to create a regulatory agency for the securities industry.

The ad hoc commission on administrative reform submitted the recommendation to Prime Minister Toshiki Kaifu earlier in the day.

The endorsement of the proposal came during a meeting of top executives from the Federation of Economic Organizations (Keidanren), the Japan Chamber of Commerce and Industry (JCCI), the Japan Federation of

Employers Associations (Nikkeiren), and the Japanese Association of Corporate Executives (Keizai Doyukai).

Gaishi Hiraiwa, Keidanren chairman, said he hopes the watchdog will streamline market administration and strive for more market openness to promote administrative reform.

Masaru Hayami, Keizai Doyukai Chairman, said the proposal was "a step forward" in reforming the industry.

Rokuro Ishikawa, JCCI head, also praised the proposal, particularly the proposed legalization of administrative guidance, opportunities for more brokerages to enter the market, and liberalization of brokerage fees.

Takeshi Nagano, Nikkeiren president, said he hoped the watchdog group will strive to create an internationally acceptable securities and financial market administration.

Meanwhile, Kenichi Suematsu, chairman of the Federation of Bankers Associations of Japan, said in a statement on the recommendation that the banking industry will strengthen internal inspections in connection with the proposed establishment of a regulatory body.

Kaname Seki, executive director of the Japan Securities Dealers Association, expressed a cautious view about the commission's proposal that the industry association should become a voluntary regulatory body. He said further consideration will be given to the proposal.

Council Approves Securities Proposal

OW1509063091 Tokyo NHK General Television Network in Japanese 1000 GMT 11 Sep 91

[Text] A government ad hoc administrative reform promotion council approved a final draft proposal regarding measures aimed at preventing the recurrence of a series of irregularities involving securities and financial institutions. On establishing a new watchdog organization in the securities and financial market, which was a focal issue, the council agreed to form a committee apart from the Finance Ministry composed of judiciary investigative authority.

As a result of today's intensive debate on irregularities involving securities and financial institutions, the administrative reform promotion council adopted recommendations that will be presented to Prime Minister Kaifu.

First, the final draft states that the Finance Ministry should review its administrative policies, which have tended to protect the financial industry, and clarify its standards by making legal the administrative guidance adopted so far. It also calls for setting up conditions that will allow newcomers to have easier access to the market and for liberalizing fixed commissions for stock sales.

Debate was focused on the possible establishment of a watchdog body. The ad hoc council proposes the following: The watchdog committee should be given authority to carry out compulsory investigations—including confiscation of papers—not only on financial institutions but also on investors, and to bring offenders of the law to the attention of judicial authorities. The new organization, based on Article 8 of the State Administrative Organization Act, should be independent from the banking or securities bureaus of the Finance Ministry, and should consist of only a few people who will be appointed by a financial minister after obtaining Diet approval. The secretariat will be set up under the committee's supervision to handle the paperwork involved.

Organizationally, the watchdog committee will be under the auspices of the Finance Ministry, leaving ultimate responsibility with the finance minister. But it will be allowed to make decisions at its own discretion regarding investigative and supervisory activities. At the same time, the committee will be obliged to announce the outcome of its investigations, and its members will consist mainly of judiciary officials. By doing that, the committee will maintain its independence from the Finance Ministry.

Regarding its recommendation, the administrative reform promotion council, with Chairman Suzuki as a central figure, will make a final coordination of opinions based on the proposal tomorrow. The council is planning to submit its recommendations to Prime Mininster Kaifu on 13 September.

Two LDP Factions Agree To Block Kaifu

OW1309164591 Tokyo KYODO in English 1337 GMT 13 Sep 91

[Text] Naha, Sept. 13 KYODO—Senior conservative politician Michio Watanabe indicated Friday two of the Liberal Democratic Party's [LDP] five major factions have agreed to oppose Prime Minister Toshiki Kaifu's bid to stay in power beyond October.

Watanabe, head of the LDP's fourth-largest faction, told a news conference he and another LDP faction leader Hiroshi Mitsuzuka have "agreed on the need to change the country's political stream."

Mitsuzuka is leader of the No. 2 faction formerly headed by the late Shintaro Abe, a former foreign minister.

Asked whether he will run in the LDP presidential election next month, Watanabe said he would have never toured nationwide during summer unless he had intended to do so.

Watanabe, a former finance minister, said he is refraining from declaring his candidacy while the Diet is in session through October 4.

The governing party is scheduled to hold a party presidential election on October 27, three days before Kaifu's two-year term of office as LDP president expires. The LDP presidency carries with it the post of prime minister by virtue of the party's stable majority in the House of Representatives.

So far, only former Finance Minister Kiichi Miyazawa, head of the No. 3 faction, has declared his intention to run in the election.

The LDP's No. 1 faction, founded by former Prime Minister Noboru Takeshita and currently led by Shin Kanemaru, has repeatedly hinted at supporting Kaifu to remain in power.

Takeshita, in a speech at a lecture session in Tokyo on Friday, said he will refrain from making comments on the LDP presidential election because the Diet is in session.

Central Bank May Cut Discount Rate Soon

OW1409125491 Tokyo KYODO in English 1204 GMT 14 Sep 91

[Text] Tokyo, Sept. 14 KYODO—The Bank of Japan may lower the official discount rate some time in September or October, while closely monitoring the impact of this month's sagging short-term money interest rates on business activity, financial analysts said Saturday.

The government and the central bank are aiming for a timely rate cut following Friday's U.S. lowering of its official discount rate from 5.5 percent to 5.0 percent per annum, the analysts said.

They said Japan's official discount rate may also be cut by 0.5 percentage point to 5.0 percent. Japan previously lowered it to 5.5 percent on July 1.

The country's expected rate cut is aimed primarily at preventing a further slowdown in economic growth, they said.

In recent weeks, the central bank has been moving toward lower short-term interest rates in an effort to help stop the economic slowdown, and the looming rate cut signals a stepped up determination, the analysts said.

One of the factors they cite in the rate cut's favor is a fading concern over inflation resulting from signs of stabilization in wholesale and consumer prices.

While boj officials have said Japan's business climate remains at a high level, increasing uncertainty over it following the recent banking and brokerage scandals is also behind the BOJ's move to cut the rate.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), and other business leaders have expressed apprehension about the future economy.

The BOJ's quarterly survey of the business climate, released September 6, also showed a slowdown in the country's economy, although no sharp plunge is in the making.

According to the economic planning agency, August marked the 57th consecutive month of economic expansion for Japan, matching the postwar record period from November 1965 to July 1970.

However, anxiety is growing among business leaders concerning declining investment in plant and equipment, a key booster of economic expansion.

The latest U.S. rate cut left Japan's official rate above the U.S. level, causing instability in the U.S. currency on foreign exchange markets, the analysts pointed out.

The need to stabilize the exchange situation, correct Japan's increasing trade surplus, and expand its domestic demand will work toward a lower official discount rate in the near future, they said.

LDP Membership Total Reaches Record High

OW1409115091 Tokyo KYODO in English 1026 GMT 14 Sep 91

[Text] Tokyo, Sept. 14 KYODO—Membership in the ruling Liberal Democratic Party (LDP) hit a record high 5.4 million at the end of August this year, party officials said Saturday.

The figure, 5,439,890, represents an increase of 440,000 from the last record registered in 1988. The LDP also has 630,454 associate party members, according to the officials.

About 1.75 million full and associate members are eligible to vote in the presidential elections scheduled for late October, when Prime Minister Toshiki Kaifu's two-year term as LDP president is due to expire.

Eligible members must keep party dues up to date and have paid them for the last three years.

A total of 3,447,465 members joined the party during the last year.

LDP Secretary General Keizo Obuchi attributed the rise to the party's deep-rooted national popularity.

He also said supporters of upper house candidates in the proportional representation election to be held next year have strived to lure new party members.

The more party members the candidates bring in, the higher they would be placed on the party roster, improving their chance of winning office under the proportional representation system.

North Korea

Foreign Ministry Statement on IAEA Accord

SK1409152491 Pyongyang KCNA in English 1509 GMT 14 Sep 91

["DPRK Will Work for Solution of Problem of NSA if Pressure Put Upon It Is Removed"—KCNA headline]

[Text] Pyongyang September 14 (KCNA)—The spokesman for the Foreign Ministry of the Democratic People's Republic of Korea issued a statement to the press today in connection with the fact that at the September meeting of the Board of Governors of the International Atomic Energy Agency [IAEA] the United States, Japan and some other countries adopted an unjustified "resolution" unilaterally urging us to sign the nuclear safeguards accord (NSA) and ratify it as quickly as possible, thereby throwing an artificial obstacle in our way of signing the NSA.

The "resolution" is absolutely impermissible in the light of the principle of the foreign policy of the Government of our Republic as it is a wanton encroachment upon the sovereignty of our country and an interference in its internal affairs, the spokesman states, and goes on: As far as the issue of signing the NSA is concerned, it is a matter to be settled independently under all circumstances between the DPRK, a sovereign, independent state, and the IAEA, not a problem to be resolved under any international pressure.

We value sovereignty more than anything else and have made consistent efforts to sincerely implement our obligation under the nuclear non-proliferation treaty. Putting upon us international pressure, an interference in our internal affairs will not be helpful to the signing of the NSA but, on the contrary, render it more difficult.

Failure to resolve the problem of signing the NSA between the DPRK and the IAEA during the meeting of the Board of Governers was entirely attributable to the unjustified "resolution" sponsored by Japan and some other countries at the instigation of the United States.

In the future, too, we will not respond to any demand under the unilateral pressure upon us.

We declare that we will sincerely go ahead for the settlement of the problem of signing the NSA if the pressure put upon us is removed and make sustained efforts for the denuclearization of the Korean peninsula.

Further on Statement

SK1509030791 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 14 Sep 91

[Press statement issued by the DPRK Foreign Ministry spokesman in Pyongyang on 14 September]

[Text] The September meeting of the International Atomic Energy Agency [IAEA] Board of Governors was held in Vienna, Austria from 11 to 13 September.

Having fulfilled the condition that discussion of the draft of the safeguards accord stipulated in the Treaty on Non-Proliferation of Nuclear Weapons [NPT] between our country and the IAEA be completed in July, our delegation participated with greatest sincerity in this IAEA Board of Governors meeting to realize the signing of the safeguards accord.

Nevertheless, in this meeting the United States, Japan, and some other countries adopted an unjustified resolution unilaterally urging us to sign the nuclear safeguards accord and ratify it as quickly as possible, thereby putting up an artificial obstacle to our signing the safeguards accord.

The resolution adopted at the meeting is absolutely impermissible in light of our government's foreign policy. The resolution is a wanton encroachment upon our country's sovereignty and interference in our internal affairs.

As for signing the nuclear safeguards accord, this is a matter to be settled independently between the DPRK, a sovereign, independent state, and the IAEA. It is not a problem to be resolved under international pressure.

We value sovereignty more than anything else and have made consistent efforts to implement sincerely our obligation based on the NPT. Therefore, putting international pressure on us, interference in our internal affairs, will not help the signing of the nuclear safeguards accord. On the contrary, it will make it all the more difficult.

During this meeting, some countries with impure political purposes engaged in activities to have the resolution adopted, which shattered the atmosphere for signing the safeguards accord, thus obstructing the road to resolving this issue.

What nation that respects sovereignty will sign the so-called safeguards accord amid the commotion caused by international pressure? Failure to resolve the issue of signing the nuclear safeguards accord with the IAEA during the Board of Governors meeting is entirely attributable to the unjustified resolution sponsored by Japan and some other countries at the instigation of the United States. Also, in the future we will not respond to any demand backed by unilateral pressure.

We declare that we will sincerely move ahead in settling the problem of signing the nuclear safeguards accord if the pressure on us is removed, and we will continue efforts for the denuclearization of the Korean peninsula.

[Dated] 14 September 1991, Pyongyang

Delegate Repudiates Resolution

SK1309153491 Pyongyang KCNA in English 1512 GMT 13 Sep 91

["Head of DPRK Delegation Repudiates 'Resolution' Adopted at Meeting of Board of Governors of IAEA"—KCNA headline]

[Text] Pyongyang September 13 (KCNA)—The head of the delegation of our country to the meeting of the Board of Governors of the International Atomic Energy Agency [IAEA] held in Vienna repudiated the "resolution" urging our country to sign the nuclear safeguards accord (NSA) which was adopted at the meeting owing to the machinations of the United States and some other countries. The head of the DPRK delegation stated Thursday as follows after its adoption: Our delegation notes with regret that the meeting adopted the "resolution" which contains unjustifiable points bringing pressure to bear upon us due to the wrong attitude of some countries. Our delegation strongly rejects this "resolution" and explicitly states that those countries which sponsored it will be wholly responsible for its consequences. It considers the "resolution" as one reflecting the ulterior purpose of some countries to impair the international prestige of our country. It is a matter pertaining to the sovereignty of each country to sign any international accord. It is in contravention of the principle governing the signing of an international treaty to force us to sign the NSA. Signing this accord is directly related to the nuclear threat of the United States to us. Hence, the problem of removing the nuclear threat from our country should be resolved in conformity with the mission of the Nuclear Non-proliferation Treaty [NPT] and within its framework between the United States, a signatory to the treaty and nuclear weapon state, and our country, a non-nuclear state. Nevertheless, some countries, ignoring this fact, submitted the unjust "resolution" imposing unilateral pressure upon us to the meeting of the Board of Governors [BG]. Our delegation considers this itself contrary to the letter and spirit of the NPT and the authority of the BG. The attempt of some countries to convert the IAEA, an economic-technical organisation, into a tool for confrontation among states and politicize it should in no way be tolerated. Our delegation considers this "resolution" as an encroachment upon the sovereignty of our country and states that this will only throw more obstacles in our way of signing the NSA.

Further on Delegate's News Conference

SK1309155191 Pyongyang KCNA in English 1524 GMT 13 Sep 91

[Text] Pyongyang September 13 (KCNA)—The head of the DPRK delegation held a press conference in Vienna on September 12 in connection with the adoption of a "resolution" urging us to sign the Nuclear Safeguards Accord at a meeting of the Board of Governors of the International Atomic Energy Agency [IAEA] due to the schemes of the United States and some other countries.

The head of the delegation said:

It is to be regretted that the meeting of the Board of Governors of the International Atomic Energy Agency adopted a "resolution" carrying an unjustifiable content owing to the wrong moves of some countries to put unilateral pressure upon us.

Our delegation strongly rejects this "resolution" and makes clear that those countries which initiated it will bear full responsibility for the consequences arising therefrom.

Our delegation considers the "resolution" as one reflecting the sinister purpose of some countries to libel the international prestige of our country.

Concluding an international treaty is a matter which belongs to the sovereignty of each country.

The issue of signing the NSA [nuclear safeguards accord] is directly related to the U.S. nuclear threat to us.

The DPRK took such a go-ahead measure as agreeing to a draft NSA of the IAEA side out of our earnest desire to implement the provisions of the Nuclear Non-Proliferation Treaty.

Taking this epochal step, we had a due hope that the problem of removing the U.S. nuclear threat from our country could be resolved as it is related to the existence of our nation.

But the United States, a nuclear state which is directly responsible for removing nuclear threat from our country, took no positive measure in this connection.

As long as there exists nuclear threat upon our country, the NSA issue cannot be smoothly settled. This is why we are striving so hard to solve the question of removing U.S. nuclear threat from us.

At this time when the meeting of the Board of Governors approved the safeguards accord signed between our country and the IAEA, the United States, too, should respond to it by taking a well- intentioned step.

If the United States is really interested in our signing of safeguards accord, it should have talks with us on the withdrawal of nuclear weapons from South Korea and guarantee for non-use of nuclear weapons against our country.

In this regard the DPRK is ready to have inter- governmental official talks with the United States in Vienna or Geneva.

We will watch the follow-up action of the United States.

Japan is abusing the issue of our signing of safeguards accord in finding a pretext for its development of nuclear weapons. We cannot but heighten our vigilance against this.

The South Korean authorities are the executor of foreign nuclear war plan and the very one who has exposed his nation to other country's nuclear threat.

The South Korean authorities must no longer obstruct our efforts to free our nation from nuclear threat, but demand the withdrawal of the U.S. nuclear weapons from South Korea and accede to our proposal for the denuclearization of the Korean peninsula.

Our delegation, regarding the "resolution" as an encroachment upon the sovereignty of our country, hopes that no more difficulties will be laid in our signing of safeguards accord.

The DPRK will make every possible effort to prevent the danger of a nuclear war in the Korean peninsula and strengthen the nuclear non-proliferation system.

The head of the delegation answered the questions raised by reporters.

Daily Criticizes Resolution

SK1509091991 Pyongyang KCNA in English 0835 GMT 15 Sep 91

[Text] Pyongyang September 15 (KCNA)—NODONG SINMUN today comments on the "resolution" urging the DPRK to sign the nuclear safeguards accord which was adopted at a meeting of the Board of Governors of the International Atomic Energy Agency held in Vienna owing to the machinations of the United States and some other countries.

This "resolution" means an encroachment on the sovereignty of our Republic and it is laying additional difficulties in the way of our signing the safeguards accord, the news analyst says, and goes on:

The question of signing the safeguards accord is directly connected to the U.S. nuclear threat against us.

If the United States is really interested in our signing the safeguards accord, it must choose to hold talks with us over the question of withdrawing nuclear weapons from South Korea and the question of guaranteeing the non-use of nuclear weapons against our country. In this regard, the head of our delegation clarified that the Democratic People's Republic of Korea is ready to hold official intergovernmental talks with the United States either in Vienna or in Geneva.

Japan must not abuse the question of our signing the safeguards accord in finding a pretext to justify her own development of nuclear weapons and building of a military power.

The South Korean authorities must not lay obstacles to our efforts to bail our nation out of the nuclear threat, but demand the withdrawal of U.S. nuclear weapons from South Korea and accede to our proposal for the denuclearization of the Korean peninsula.

U.S., Japanese 'Pressure' Criticized

SK1509042891 Pyongyang Korean Central Broadcasting Network in Korean 0025 GMT 15 Sep 91

[NODONG SINMUN 15 September commentary: "Unfair Pressure"]

[Text] At the recent International Atomic Energy Agency [IAEA] Board of Governors meeting in Vienna, the capital of Austria, some countries including the United States maneuvered the adoption of a resolution urging us to sign the safeguards accord.

This resolution contains unjustified material intended to put pressure on us. It reflects some countries impure purpose to defame our republic's authority in the international arena. This resolution is an infringement of the sovereignty of our republic and creates additional obstacles to our signing the safeguards accord.

Our people are resolutely denouncing the resolution as unfair and unilateral, adopted at a time when our republic is making gradual progress in resolving the issue of signing the safeguards accord.

Concluding an international agreement belongs to the sovereignty of each country. The issue of signing the safeguards accord is directly linked to the U.S. nuclear threat to us.

From a sincere desire to fulfill the duties stipulated in the Nuclear Non-Proliferation Treaty, we are fully prepared to sign the safeguards accord at any time. However, the reason the safeguards accord is not being signed is due to the U.S. nuclear threat to our republic.

As long as a nuclear threat to our country exists the issue of signing the safeguards accord cannot be resolved smoothly. In order to provide a favorable environment and condition for signing the safeguards accord, we have repeatedly urged the United States to withdraw its nuclear threat and promise that it will guarantee the non-use of nuclear weapons against us.

The reason our republic is presenting these demands to the United States is that this is the just right of a nation that does not have nuclear weapons, which is in accordance with the spirit of the Nuclear Non-Proliferation Treaty. According to this agreement, the United States, a nuclear power, has an unavoidable duty to eliminate the nuclear threat to our republic.

Nevertheless, when our nation agreed with the IAEA on the draft of the safeguards accord and when the issue of signing the safeguards accord was moving forward step by step, the United States did not take any positive measures. Rather, it urged us to adopt the unfair resolution.

This unfair resolution that was adopted resulted in throwing a wet blanket over our sincere efforts to smoothly resolve the issue of signing the safeguards accord and is clouding the bright future that signing the safeguards accord will provide.

Submitting the unilateral resolution, which put pressure on us at the Board of Governors meeting, is unfair and contradicts the idea of the Nuclear Non-Proliferation Treaty and the authority of the Board of Governors.

The countries that initiated the unfair resolution at this meeting are fully responsible for any consequences that may arise.

If the United States truly has an interest in our signing the safeguards accord, it must hold talks with us to discuss the issues of withdrawing nuclear weapons from South Korea and of the guarantee of the non-use of nuclear weapons against our country. In connection with this, the head of our country's delegation revealed that the DPRK is willing to hold official governmental talks with the United States in Vienna or Geneva.

Japan must not abuse the issue of signing the safeguards accord as an excuse to develop its own nuclear weapons and rationalize its intention to make Japan a military great power.

The South Korean authorities must no longer hinder our efforts to protect our nation from nuclear threat and must demand that the United States withdraw its nuclear weapons from South Korea and accept our proposal to denuclearize the Korean peninsula.

Our republic will make every sincere effort to eliminate the threat of nuclear war on the Korean peninsula and to strengthen the system of preventing the proliferation of nuclear weapons.

Defector Reveals Underground Nuclear Facility

OW1309141391 Tokyo NHK General Television Network in Japanese 1000 GMT 13 Sep 91

[Text] A North Korean diplomat who defected to South Korea last March said today in Seoul that there are at least two nuclear facilities in North Korea.

Mr. Ko Yong-hwan, 38-year-old diplomat who used to serve as the first secretary at the North Korean Embassy in Congo, defected to South Korea last March. At a news conference in Seoul, Mr. Ko said that there is a uranium mine at (Pingshang), south of Pyongyang. He also said that there is an underground nuclear facility at (Bakshong) which is different from another facility whose existence is known to Western nations.

Mr. Ko is the first North Korean diplomat who has defected to South Korea. Asked why his news conference today was held on the eve of North and South Korea's application for UN membership, the South Korean Government said that it was determined with due consideration for the safety of his family members he left in Africa.

Paper Denounces U.S. 'Megalomaniac Ambition'

SK1409055991 Pyongyang KCNA in English 0447 GMT 14 Sep 91

["U.S. Imperialists' Invariable Ambition for World Supremacy"—KCNA headline]

[Text] Pyongyang September 14 (KCNA)—The U.S. imperialists who have become quite arrogant after the equilibrium of strength was destroyed in the international arena are outrageously interfering in the internal affairs of other countries while styling themselves the master of the world and resorting to armed blackmail against the progressive people the world over.

This is an open manifestation of the U.S. imperialists' policy of aggression and megalomaniac ambition for world supremacy.

MINJU CHOSON said this in a signed article Friday [13 September].

The U.S. imperialists are geting over-heated in the campaign for world domination as the most shameless aggressors and plunderers, the article notes, and continues:

"Peace" and "disarmament" on their lips are no more than phraseology to hoodwink people. They are not giving up their aggressive character but stepping up arms buildup.

They are trying to lull the fighting spirit of people with the words of nuclear arms cut and working to make up for the reduction of one kind of nuclear weapons with the modernization of other kind of nuclear weapons and the production of new mass destruction weapons and elevating the level of nuclear armed forces as a whole.

They are using aggressive military alliances as an important lever in realizing their design to dominate other countries.

They are going to strengthen the system of triangular military alliance in northeast Asia and organize a new military alliance of NATO type in the Middle East.

Seeking to dominate the world by strength, they intend to make a breakthrough in the Korean peninsula. They have designated South Korea as the "first line base of the U.S. strategy" and are putting spurs to war preparations in this region.

There are some 40 military bases, about 200 military setups, 1,000 nuclear weapons, and nuclear vehicles and other means of war and over 40,000 U.S. troops in South Korea today.

It must not go unnoticed that the U.S. imperialists, having turned South Korea into a nuclear base in an attempt to ignite a nuclear war in this region, are conducting an anti-DPRK smear campaign with a trump card of "nuclear inspection."

After the Gulf war the U.S. Administration and military quarters are looking for a chance of invading the North after working out an adventurous war plan called "120-day war scenario" which presupposes the use of nuclear weapons.

It is a sinister criminal act to establish domination over the DPRK and socialist countries in Asia with strength that the U.S. imperialists are steadily reinforcing military power, nuclear arms in particular, in South Korea, while clamouring about "disarmament" and "detente."

The United States should give up its megalomaniac ambition for world domination and act with discretion, stresses the article.

KCNA Reports U.S., South Military Exercises

SK1409060191 Pyongyang KCNA in English 0503 GMT 14 Sep 91

[Text] Pyongyang September 14 (KCNA)—The U.S. Pacific Airforce command let several formations of Pacific-based F-15 and F-16 fighter-bombers and fighter-bombers, assault planes and reconnaissance planes belonging to the U.S. Seventh Airforce stationed in South Korea and the puppet airforce fly above Chongju and Wonju of South Korea on September 12 in a joint ground strike exercise aimed at a preemptive strike at targets in the strategical depths of the northern half of Korea, military sources said.

On the same day, the U.S. Pacific Navy command staged a long-distance bombing exercise in the sky above Asan Bay of South Korea with the mobilization of formations of assault planes and VTOL [vertical takeoff and landing] assault planes based in Japan proper with the support of tanker planes.

Meanwhile, the South Korean puppets are ceaselessly staging ground and aerial war games getting on our nerves near the Demilitarized Zone of the Military Demarcation Line.

On the 12th, 105 mm artillery groups of the puppet army deployed in Sohwa-ri, Inje County, made a blanket bombardment toward Kajon-ri of the same county. On the following day some 70 armed bandits deployed near Ogum-ri, Paju County, with 14 heavy tanks, staged an attack exercise against the North, firing 50 odd shells from tank guns and 500 or more automatic rifle bullets toward Munji-ri of the same county under our very nose while moving in battle formation.

In separate action, on the 12th, some 60 armed bandits entrenched on a nameless height north of Chakdong-ri, Yonchon County, deployed four 106.7 mm mortar guns in position and took a gesture of firing toward our side.

Warplanes mobilized in various war games in the sky above South Korea on Sept. 12 totaled more than 550.

More on Allied Exercises

SK1609050791 Pyongyang KCNA in English 0450 GMT 16 Sep 91

[Text] Pyongyang September 16 (KCNA)—The South Korean puppets fired scores of shells near the demilitarized zone along the military demarcation line on September 13 by sending 105 mm artillery groups to the areas of Kobangsan-ri, Yanggu County, and Yulli-ri, Cholwon-up, Cholwon County, South Korean Kangwon Province, according to military sources.

On the same day, armed bandits who made their way into a nameless hill west of Rosang-ri, Paju County, took a position and fired more than 600 12.7 mm large-calibre machine-gun and M-16 automatic rifle bullets.

On the same day, heavy tank groups of the puppet army fired a volley of shells in the areas of Paju County while moving in combat formation toward the military demarcation line.

That day, six military helicopters staged an aerial war exercise under our eyes for locating targets and infiltrating into the depths, making an ultra-low flight from Pangmok-ri, Paju County, to Yonchon-up.

More than 650 war planes participated in long-distant bombing, aerial and ground surprise attack, support to ground and naval attack, air transport operation, aerial espionage and other war exercises in the skies above South Korea on September 13.

Paper Calls for Denuclearization of Peninsula

SK1409104691 Pyongyang KCNA in English 0959 GMT 14 Sep 91

["NODONG SINMUN Calls For Denuclearization of Korean Peninsula"—KCNA headline]

[Text] Pyongyang September 14 (KCNA)—NODONG SINMUN in a by-lined article today calls for the denuclearization of the Korean peninsula.

Denuclearization on the Korean peninsula is an important way of preventing a nuclear holocaust on the Korean nation and the peoples of its neighbouring countries, the article says.

Noting that South Korea where more than 1,000 pieces of U.S. nuclear weapons are deployed is the most dangerous hotbed of nuclear war in the world and the situation here is getting all the more strained, it goes on:

If a nuclear war broke out on the Korean peninsula today, no country would be spared its scourge, we dare say.

Hence, no one can remain indifferent to the danger of nuclear war created on the Korean peninsula by the United States. To remove the danger of nuclear war from the Korean peninsula is an important matter related to the destiny of our nation and of the peoples of its neighbouring countries.

Our proposals for denuclearization of the Korean peninsula are most reasonable ones to eliminate one of the most dangerous hotbeds of nuclear war in the world, ease the tensions in our country and make a substantial contribution to the cause of peace in Asia and the rest of the world. They make it possible to remove the danger of nuclear war and thus prevent it from being escalated to a planetwide thermo-nuclear war.

If the Korean peninsula is to be turned into a nuclear-free zone, the U.S. nuclear weapons must be withdrawn from South Korea. Durable peace in this region cannot be ensured otherwise.

Kim Yong-nam Returns From Nonaligned Meeting

SK1409120991 Pyongyang KCNA in English 1037 GMT 14 Sep 91

[Text] Pyongyang September 14 (KCNA)—The DPRK delegation led by Vice-Premier and Foreign Minister Kim Yong-nam returned home by air today after participating in the foreign ministers' meeting of the nonaligned nations held in Ghana.

It was met at the airport by Vice-Minister of Foreign Affairs Pak Ui-chun and the Egyptian and Chinese ambassadors to Korea.

PRC Leader Reportedly Favors Unity Proposal

SK1409103591 Pyongyang KCNA in English 1004 GMT 14 Sep 91

["Premier Li Peng Favours DPRK's Proposal for National Reunification"—KCNA headline]

[Text] Pyongyang September 14 (KCNA)—Li Peng, premier of the State Council of China, in an interview with the Italian weekly "Epoca" said that the DPRK President Kim Il-song's position on the reunification of the country on the basis of "one nation, one country, two systems and two governments" and in the form of a federation system is quite practical and can be accepted by both North and South of Korea, according to a XINHUA report.

He noted that both sides have decided to apply to enter the United Nations, and their applications have won support of the U.N. Security Council. China expressed its pleasure at this.

The Democratic People's Republic of Korea is China's friendly neighbor and China pays great attention to relaxation and stability on the Korean peninsula, he said.

Students Leave for Unity Talks in Panmunjom

SK1609053091 Pyongyang KCNA in English 0508 GMT 16 Sep 91

[Text] Pyongyang September 16 (KCNA)—Student delegates of Kim Il-song University and Kim Hyong-chik University of Education left here today for Panmunjom to participate in working-level talks for the "91 Yonsei-Korea University national liberation festival" proposed by the general student councils of Yonsei University and Korea University of South Korea.

Inviting students of universities in the northern half of the country including Kim Il-song University, the general student councils of Yonsei and Korea Universities of South Korea proposed to hold alongside the festival "a grand forum of students of South and North for reaching an agreement on the way of national reunification and for great national unity", a festival for great unity, an art festival, sports event and a discussion of ways for organizational solidarity.

The working-level talks on this will be held in Panmunjom at 12:00, September 17.

Language Students Prepare To Tour South

SK1409112491 Pyongyang KCNA in English 1034 GMT 14 Sep 91

[Text] Pyongyang September 14 (KCNA)—The Students Committee of Kim Il-song University today sent a telephone message to the chairman of the preparatory committee for a '91 study tour of the national language course of Konguk University, South Korea.

The message notes that Yi Taek-kon, Om Chong-chol, Kim Chol-kyu and Pang Kum-sun (woman), representatives of the students of the Korean language department of Kim Il-song University, would be sent to the conference room of the Neutral Nations Supervisory Commission at Panmunjom at 15:00 on September 18 (Wednesday) to discuss the proposal of the national language course of Konguk University.

Daily Denounces South's Human Rights Record

SK1609060291 Pyongyang KCNA in English 0521 GMT 16 Sep 91

["Human Rights Graveyard Crowded With 'Political Prisoners'"—KCNA headline]

[Text] Pyongyang September 16 (KCNA)—There is still a zone of human rights violation like South Korea where prisons are overflowing with "political prisoners", the whole land having turned into an "open-air prison" toward the close of the 20th century, says NODONG SINMUN today, adding: This is a shame of the times.

A few days ago, the "CBS" [Christian Broadcasting System of South Korea] quoted figures released by the puppet police agency as saying that those who have been arrested for political reasons numbered 5,600 in three years after No Tae-u grabbed power. By "persons arrested on political reasons" the South Korean ruling quarters means chiefly "political prisoners", who have fallen victims to the "national security law" and other anti-communist fascist laws.

This is clear proof that No's outcries that there are no "political prisoners" and the suppression of human rights has disappeared in South Korea is a sheer lie to deceive and fool the world and that South Korea is, indeed, a graveyard of human rights, says the paper.

No sooner had No Tae-u placed himself in the "presidential" chair than he threw away like a pair of worn-out shoes his "electoral commitments" and "promises" such as "establishment of an era of ordinary people", "guarantee of human rights" and "unification", the news analyst says, and continues:

It is none other than traitor No Tae-u who has harshly cracked down upon the struggle of the people for independence, democracy and reunification with the mobilisation of the puppet army, not to speak of the puppet police.

The police No has hurled into the suppression of people in the past three years totaled 12,320,000 and the tear gas canisters fired by them 716,000.

The No Tae-u group is maintaining such fascist laws as the "national security law" and totally denies the freedom of the choice of ideas, the formation of progressive political parties and organisations and their activities which are generally allowed even in capitalist countries.

While keeping the U.S. imperialist aggression forces and nuclear weapons in South Korea the No Tae-u rulers brand the forces demanding national independence standing in the way of the creation of "two Koreas" and democratic forces standing against the extension of dictatorship and long-term office as "leftist pro-communist elements", "rebellious forces" and "forces seeking to overthrow the system" and are suppressing them harshly.

It is only too natural for the South Korean people to rise up in the struggle to overthrow the dictatorial "regime" of the No Tae-u military fascist clique and set up a democratic government.

Daily Advises No Tae-u Not To Try Overthrow

SK1409062091 Pyongyang KCNA in English 0514 GMT 14 Sep 91

["Foolish Design of Colonial Puppet"—KCNA headline]

[Text] Pyongyang September 14 (KCNA)—No Tae-u prattled at Chongwadae a few days ago that "changes in the North are an unavoidable trend of history" and "such changes must be induced".

Commenting on his utterances, a NODONG SINMUN analyst today says:

Lurking behind his rigmarole is a most heinous intention to send the wind of "liberalisation" into the North and overthrow the socialist system of the northern half of the Republic and thus extend their colonial fascist system even to the North according to the anti-socialist "peaceful transition" strategy of the imperialists.

As for the trend of history, it is sovereignty and independence and the very place which must undergo a change is South Korea, the leftover of neo-colonialism in the 20th century, which has remained a colony and military base of the United States for nearly half a century after the liberation of the country on August 15, 1945.

There must be changes in the stance toward dialogue and reunification on the part of the South Korean rulers who are closing South Korea with anti-reunification fascist laws, the concrete walls and "unified channel of dialogue". And this change is, indeed, the unavoidable trend of history.

It is impudent and ridiculous to intend to extend the colonial fascist system of South Korea up to the North.

We warn that No Tae-u would be well advised to discard quickly the foolish design to do away with the socialist system in the northern half of the Republic with the backing of outside forces.

National Meeting of Work-Team Heads Opens

SK1609113591 Pyongyang KCNA in English 1008 GMT 16 Sep 91

[Text] Pyongyang September 16 (KCNA)—A national meeting of work-team heads opened at the February 8 House of Culture Monday.

The meeting will discuss tasks to bring about a new revolutionary upswing in socialist economic construction by strengthening the work-teams, the basic units of production and management.

Set up on the background of the platform was a portrait of the great leader President Kim Il-song.

Spread there is a red flag bearing the letters reading "Three revolutions," "Taean work system," "Increased production and economy" and "Self-reliance".

Slogan boards reading "When the party is determined, we can do anything!" "Let us fully demonstrate the militancy of work-teams in the general onward movement of the 90's!" and "Let us bring big upwing in the fulfilment of the third 7-year plan!" are seen in the meeting place.

The meeting is participated in by model work-team heads and chief engineers of factories and enterprises from different parts of the country and officials of central and local administrative and economic organs.

Taking the platform are Yon Hyong-muk, Yi Chong-ok, Han Song-yong and other senior officials of the party and the government, and labor innovators.

At the meeting a congratulatory message of the Central Committee of the Workers' Party of Korea [WPK] to the participants of the national meeting of work-team heads was read by Han Song-yong, member of the Political Bureau and secretary of the WPK Central Committee.

Yon Hyong-muk, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council, delivered a report.

Then followed speeches.

The speakers called upon all work-team heads and working people to dynamically struggle to fulfil the third seven-year plan with credit and scale a new height of socialist construction by cherishing the slogan "When the party is determined, we can do anything!" as their faith and making continuous innovations and uninterrupted progress.

The meeting continues.

Yon Hyong-muk Speaks

SK1609110391 Pyongyang KCNA in English 1022 GMT 16 Sep 91

["Report by Premier of Administration Council at National Meeting of Work-Team Heads"—KCNA headline]

[Text] Pyongyang September 16 (KCNA)—Yon Hyong-muk, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and premier of the Administration Council, made a report at the national meeting of work-team heads which opened here today under the title "Let Us Give Full Play to the Advantages of the Taean Work System and Effect a New Revolutionary Upswing in Socialist Construction by Increasing the Militancy of Workteams, Basic Units of Production and Management."

The reporter said the meeting would mark a dramatic occasion in powerfully arousing the workteams throughout the country to the creation of the "speed of the 90's" and bringing about a greater upswing in socialist construction like the national meetings of forerunners in the chollima work-team movement, the meetings which had been held at a time when the great upsurge of chollima had been effected after the war.

Our workteams, he noted, have always staunchly defended and implemented the party policies and effected a constant upswing in production, upholding the guidance of the party and the leader with loyal hearts and thus played a great role and performed brilliant exploits in accelerating the building of socialism.

They strengthened and developed themselves into powerful combat ranks through the medium of the Chollima work-team movement which was conducted as a great mass movement in the period of the great upsurge of Chollima and the Three-Revolution Red Flag Movement which is being conducted at a time when the modelling of the whole society on the chuche idea has come to the fore, the reporter pointed out, and continued:

They are growing into an admirable communist collective that sincerely works for the party and the leader, the country and the people, the society and collective, helping and leading one another forward on the principle of collectivism "One for all, all for one".

Our reality clearly proves that our party's consistent policy of strengthening workteams, the basic units of production and management, and educating the working people in a communist way with them as the basis and mobilising them in collective innovations is a revolutionary policy which makes it possible to thoroughly implement the revolutionary mass line in economic management and thus make them true masters of economic management and bring the creative strength of the masses into full play.

A great victory has been achieved in our socialist construction and workteams in all domains of the national economy have been strengthened and developed into powerful combat detachments and this is entirely a fruition of the wise guidance of the great leader Comrade Kim Il-song and our party.

Calling for effecting greater upswing in socialist economic construction through a dynamic general onward movement in the '90's, the reporter quotes the great leader Comrade Kim Il-song as teaching:

"We must be fully confident in ourselves, have an unbreakable fighting spirit and deal with the turbulent historical current on our own initiative and fly the flag of victory on a new, higher peak of socialist construction in the hope-filled 1990's."

Today, we are building socialism in an acute confrontation with imperialism, the reporter said, and continues:

In the 1950's, we frustrated the unprecedented anti-DPRK campaign and reactionary offensives of the imperialists and their stooges with the strength of the rock-firm unity and cohesion between our party and our people and the nationwide grand chollima march and turned a misfortune into a blessing through a great turn in socialist construction. As we did in the past, we must counter the desperate anti-socialist offensive and the anti-DPRK moves of the imperialists and all the reactionaries at present at the beginning of the 1990's with our indestructible might of single- hearted unity of the leader, the party and the masses and with a new great revolutionary upsurge in socialist construction and triumphantly pave a broader, bright path ahead of our revolution and construction.

The third seven-year plan is a main target on which we should concentrate efforts in socialist construction.

We must fulfil this ambitious plan in the period of two years or more to come and thus further increase the economic potential of the country, markedly lift the people's living standard and lay a solid foundation for obtaining a higher long-range goals of the next stage.

Outlining the tasks facing all the fields of the national economy in keeping production at a high level, Yon Hyong-muk stressed:

Today our party calls upon all the workteams across the country to effect another revolutionary upswing on all fronts of socialist construction as the Chollima workteams effected a great change and leap through the great revolutionary upsurge in hearty response to the decisions of the December 1956 plenary meeting of the party Central Committee in the difficult period after the war.

"Let us powerfully demonstrate the militancy of workteams in the general onward movement in the '90's!"—

this is a militant slogan to be upheld by the workteams throughout the country at the present moment.

All our work teams should firmly build up their ranks and further increase their militancy to fully meet the requirements of the Taean work system and effect a new great upswing in production and thus bring the might of the man-centred socialism of our own style and its advantages into full play in all fields of economic construction and the people's life.

Minister Reports on Consumer Goods, Services

SK1509083791 Pyongyang KCNA in English 0804 GMT 15 Sep 91

[Text] Pyongyang September 15 (KCNA)—Today is the holiday of commercial workers.

On this occasion, a meeting was held at the People's Palace of Culture Saturday to mark the 20th anniversary of the publication of the great leader President Kim Il-song's work "On Improving the Supply of Consumer Goods to the Working People" (September 15, 1971.)

In the work President Kim Il-song indicated the advantages of socialist commerce in Korea and some tasks in improving the supply of consumer goods to the working people.

Minister of Commerce Han Chang-kun said in his report:

Noting that socialist commerce is, in essence, supply of consumer goods to the working people, President Kim Il-song gave a theoretical and practical exposition of its advantages to the effect that it serves the workers, peasants and other labouring masses, contributes to eliminating differences between town and countryside and satisfactorily supplies high-quality goods to the people.

Noting that commercial networks are now distributed evenly all over the country, he said that commerce is contributing to doing away with the difference in living conditions between the urban and the rural population by selling goods to them at same prices.

Modern service establishments have been built in Pyongyang and all provinces, cities and counties to provide the working people with a more affluent material and cultural life, he said.

Present at the meeting with commercial workers in Pyongyang were Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council, Pak Nam-ki, secretary of the C.C. [Cenral Committee], WPK [Workers Party of Korea], and officials concerned.

South Korea

North Defector Gives News Conference

SK1609063391 Seoul KBS-1 Television Network in Korean 1350 GMT 13 Sep 91

[News conference by Ko Yong-hwan, former first secretary at the North Korea Embassy in the Republic of the Congo who defected to the South in early May; on 13 September at the Press Center in Seoul with unidentified reporters—recorded]

[Text] [Reporter] You have enjoyed a great many privileges as a diplomat, have you not? What was the motive behind your defection?

[Ko Yong-hwan] I left my post in the Congo where I worked as first secretary of the [North Korean] Embassy in early March after sensing a threat to my personal safety.

As it was my intention to leave that country, I went as far as its border with a neighboring country. I paid my way out through the border.

As I have worked in Africa since 1980, I have many colleagues in those countries. Fearing that my family would be put under house arrest and that the borders would be sealed off if and when my defection became known, I discussed with a friend how to escape such dangers.

As you may know, when the father of Mayumi [Japanese name given to Kim Hyon-hui who blew up the Korean Air passenger plane in 1987], you remember Mayumi, was in Angola in November 1987, I was in charge of arranging his safe trip back to Pyongyang, as Angola happened to be under my control. In 1988, an army major named Chong Man-su fled his post while stationed in Uganda.

I knew how the North Korean people would react to my defection; as I was in a position of controlling operations dealing with them, I did everything possible to ensure a safe escape. I was successful in escaping and arrived in Seoul in early May.

[Reporter] North Korea seems to be changing in its foreign policy a great deal. What do you think is the basic strategy?

[Ko Yong-hwan] In his Vladivostok speech in 1986, Soviet President Gorbachev brought to public attention the so-called "new political thinking" and again in November 1987 he explained the theory of perestroyka, the beginning of change in the basic Soviet foreign policy.

North Korea believed that the four major powers surrounding the Korean peninsula—the United States, Japan, the Soviet Union, and China—were about to let the wind of opening into North Korea through their conspiracy and collusion with South Korea and eventually shake its system to the core. North Korea's most current basic foreign policy is to divide and destroy these four major powers and create an environment favorable to national reunification by driving a wedge into relations between the allies and by encircling the South Korean puppets. This is the gist of North Korea's basic foreign policy.

Its next basic goal in its foreign policy is to extract compensation from Japan by accelerating the setting up of diplomatic relations with Japan by as early as November, thereby overcoming its economic difficulties. Although it has insisted on receiving $10 billion from Japan as compensation, North Korea thinks that it may end up accepting only $5 billion.

The second most important basic goal in North Korea's foreign policy is to overcome its economic difficulties and reinforce its system with compensation to be received from normalizing its relations with Japan.

Third, North Korea seeks to strengthen its diplomatic relations with such European counties as Germany and France, countries with which it has maintained a certain form of basic ties and then promote economic cooperation with the Western world by taking advantage of the reinforced diplomatic relations with these countries.

Fourth, North Korea seeks to strengthen its ties with Asian countries, with Thailand, Malaysia, and Indonesia in particular, as it is part of the Asian continent, for the purpose of strengthening economic cooperation with these countries. These are the basic strategic goals in its foreign policy.

To speak of North Korea's relations with the Soviet Union, following President Gorbachev's speech on his perestroyka theory in 1987 and particularly after the establishment of diplomatic relations with South Korea last year, the gap in its relations with the Soviet Union began widening.

The upshot of North Korea's diplomatic policy toward the Soviet Union is to make economic and military profit from the Soviet Union, using its relations of alliance as a good excuse, while keeping its distance from the Soviet Union's political leaders.

I would like to talk about one thing more. What North Korea views as the most important thing in its diplomatic relations with the Soviet Union is the work with the hard-line conservative forces in the CPSU and the communist hard-line forces in the military establishment in particular.

I made a business trip to Moscow last June. Kim Hui-su, counselor at the North Korean Embassy in the Soviet Union, a man with whom I maintained friendly relations, told me that Kim Chong-il had instructed in a cable to maintain closer relations with the military forces, look out for anti-Gorbachev forces inside the military establishment and the reformist trends, and try to make them friends. If there is any sign of a possible coup d'etat, provide assistance to them.

So, the recent foiled coup d'etat pulled off by the conservative hard-line forces must have been something very pleasant to North Korea, like rain after three months of drought. So gleeful were they at the news of the coup d'etat that they were embarrassed accordingly when the coup d'etat turned out to be a failure at the end of the third day. North Korea is now in the process of abandoning any hope in regard to the Soviet Union.

As North Korea has no hope of getting military, political, and economic support from the Soviet Union, the only country it can turn to is China.

My story can be long, but I will tell you nevertheless. North Korea's relations with China are sealed with blood, to use North Korea's expression. The trade volume between China and South Korea continued to grow in the eighties. Chinese-South Korean relations have developed to the point where they each agreed to open trade mission offices, and eventually they will establish consular ties. Beginning in 1985, North Korea's nervousness over such events heightened.

I think it was in 1987 that a large group of South Korean tourists journeyed through Mainland China and climbed up to the peak of Mt Paektu. We read a news briefing on it, one that diplomats were allowed to read, with sources from HANGUK ILBO, TONG-A ILBO, and others. The news items said that a large group of South Korean tourists had flown the ROK national flag on the peak of Mt Paektu and shouted "Manse" [Long live].

Hearing this, Foreign Minister Kim Yong-nam summoned to Pyongyang all diplomats above the level of section chief. What he said at this gathering was that China had been considered to be our reliable rear and a neighboring country which we felt we could turn to in an emergency, like a war. However, China, too, had befriended South Korea and now the South Korean puppets are allowed to climb to the top of Mt Paektu and wave their flag and shout "Long live the ROK!" This is like being stabbed in the back. He urged the diplomats to do their best to improve relations with China.

According to a directive that reached us later, the diplomats were, first of all, supposed to culture close personal friendships with such hard-line old statesmen as Deng Xiaoping, President Yang Shangkun, and Premier Li Peng and exchange of delegations of various descriptions. Then, in foreign policy published in 1989, North Korea called for forming a common front with the socialist countries in Asia.

The Second Bureau in the Foreign Ministry, the office that deals with Northeast Asian affairs, and the First Bureau, the office that deals with Chinese affairs, jointly put forward a proposal for forming a common front among the socialist countries. It is now being carried out after getting approval from Kim Chong-il.

The goal of the proposal is to develop an axis among Vietnam, China, and Korea [Choson] in anticipation of such things as the collapse of the East European socialist bloc. It must be said that China stands at the heart of all this.

What North Korea fears most about China is signs of the latter moving toward negotiations over setting up diplomatic relations with South Korea. When President Kim Il-song made an unofficial visit to China last December—we the diplomats at overseas missions were informed of this last October—Deng Xiaoping assured him during their political discussions that unless North Korea establishes its diplomatic relations with the United States, China would not set up diplomatic relations with South Korea. Well, we were not informed of what was discussed in the economic area.

North Korea means to see to it that this policy remains effective through close cooperation with the Chinese leadership at all levels.

The North Korean Foreign Ministry knew that China and South Korea would establish diplomatic relations before the end of the first half of next year at the latest, given the global trends and the diplomatic goals pursued by China.

Foreign Minister Kim Yong-nam came to Zaire last March. I was in that country at that time. Ko Song-sun, responsible counselor who can be said to be one of the three columns propping up North Korea's diplomacy, accompanied the foreign minister. Since he and I share the same family name, I used to call him "uncle."

Expressing his fear, he said: Although we are doing our best, China, too, is likely to fall during the first half of next year.

The paramount diplomatic task facing North Korea at that time seemed to be that the establishment of diplomatic relations between China and South Korea should be delayed as much as possible, while strengthening political and ideological ties with China.

[Reporter] What is the prospect for North Korea's opening up?

[Ko Yong-hwan] In my personal view, in less than five years, North Korea will collapse from within. Many North Korean diplomats are convinced of this. The extreme economic difficulties in North Korea will be the basic cause. You have heard this often, have you not?

Literally, everything is in short supply in North Korea. A consultative meeting of the State Administration Council held at the People's Cultural Palace in 1988, with the attendance of officials above the level of vice ministers and vice premiers, will serve as an indication. The meeting participants discussed the causes of economic difficulties and groped for ways of solving them. Let me cite an example. Fountain pens, ones that university students use for writing, you know, were in short supply.

The participants asked the director of a fountain pen plant why he had not produced fountain pens. He replied that he had not been supplied with metallurgical materials. They asked the director of a steel mill why he had failed to supply the fountain pen plant with materials. He said: Because I did not get any ore from the smelter. The director of the smelter said he had not gotten ore from the mine. The responsible official at the mine said: I produced some, but railroad transportation was not available to the smelter. The railways minister was then summoned and asked: Why did you not transport the mineral ore? He said: Because we did not get any railroad ties from the Forestry Ministry. The Forestry Ministry replied that it did not have any gas to produce timber. It's simply an act of running around in circles. There is no hope for easing any of these shortages.

I took the president of Burkina Faso to the Taean heavy machinery complex on a guided tour in September 1988. The Taean heavy machinery complex is the largest plant in North Korea and one in which North Korea takes great pride. The Burkinabe president, Vice President Yi Chong-ok, and I entered the complex.

Thousands of machines in that huge complex were running well with a whirring sound. So, I was sort of proud of it all. When I told the plant director, an official at the level of vice minister, that I was very proud of the well-running plant, he said: Comrade Ko, I would like you to keep to yourself what I am going to tell you. We have been out of raw materials for about 10 days. We have been saving the raw materials for this occasion, and we started the machines just about five minutes before the president's arrival. The moment the president steps out of the plant, these machines will stop and then resume running two hours later when the Malagasy president arrives for an inspection.

I asked what percentage of the plant equipment was in operation. He relied: About 30 percent. There are many instances similar to this. Economic difficulties are at the heart of development.

Economic difficulties have made the people very unhappy. People are poorly informed of what is happening in the outside world, South Korea, and the United States. The only thing they know about the United States is that there is a street called Harlem in New York; homeless people sleeping in the subway stations. When it comes to South Korea, the first thing that comes to mind is the natural disasters that strike South Korea one after another. They recall that cholera continues to erupt.

As the people in North Korea have been fed on such a diet, they believe what they are told. According to North Korea's propaganda, North Korea is the best country to live in. If the people in North Korea are provided a bowl of rice and red pepper paste on the dinner table, North Korea will remain in place for another couple of decades.

Their rice bowls are growing smaller and people skip meals often, eating only one or two meals a day. No wonder people are unhappy about it.

The third is the wind of reform and opening that comes from outside. Party secretaries sitting on the ministry committees, officials standing in between the ministers and vice ministers, are said to denounce and besmirch the party policies concerning economic domains whenever they get together.

The Public Security MInistry was said to be pining to put these complaining party officials, all of them, behind bars, but there were simply too many to imprison.

North Korea will try to keep its system in place until it reaches a blind alley where it will perish. The most likely way out for North Korea is to copy the way China has pushed ahead with its reforms. North Korea seems to consider as useless the way the Soviets have carried out reforms. In the eyes of North Korea, China's reform appears to have been done well on a phased basis, while strengthening the party's leadership over the military.

According to such foreign policymakers as Responsible Counselor Ko Song-sun and Vice Foreign Minister Kang Sok-chu, North Korea is a little different from China. That is, China is a big country and no other country can push and shove China to bring it down. North Korea, however, is a small country. What is more, as it is divided, the two sides feud with each other. The United States and Japan are at its throat, anxious to bring it down. Economic opening will lead to political reforms. North Korea stands at a crossroads.

So, North Korea will have to choose: what is more important and which string will get far away when it is loosened? I believe there have already been some signs of opening. The scope of reforms can be large or small, depending on the domestic situation.

[Reporter] What made North Korea change its mind about the UN issue?

[Ko Yong-hwan] I will try to be brief in explaining. Up until February this year, North Korea had maintained the following line in its UN policy: Since international trends are now unfavorable to North Korea, let South Korea become a UN member if it insists on getting admission ahead of us and then lay blame on the South Korean puppet government for perpetuating national division. North Korea will seek to become a member at some opportune time. This was North Korea's foreign policy from the beginning of last year until February this year.

However, following Premier Li Peng's visit to Pyongyang last February during which the Beijing government's stand was made known to Pyongyang, North Korea felt sharply that if things are not going well, it may as well fail UN membership since the Soviet Union had already established diplomatic ties with South Korea and the United States and Japan were on South Korea's side.

Communists are fond of saying that the advantage of their system lies in turning a misfortune into a blessing. North Korea, I believe, will seek to achieve two goals after getting admitted into the United Nations.

When I was a diplomat, I accompanied Foreign Minister Kim Yong-nam from time to time. He said: If we enter the United Nations simultaneously, we will be arguing with South Korea. It means our internal feuds will be brought to the UN arena. And if and when this happens, the same bickerings that take place at Panmunjom will be staged at the United Nations. At your insistence, we have become a UN member. What is happening now? Feuds have become fiercer; no end to them is in sight. This is why we were against the simultaneous admission. This is sort of a sense of revenge.

The second reason is that North Korea sees in its UN membership favorable conditions in its policy toward the West. North Korea intends to make good use of these favorable conditions. North Korea may have in mind its recognition.

Even after it becomes a UN member, it will still insist on "Korea being one."

[Reporter] Tell us about North Korea's nuclear facilities and its stand on nuclear inspection.

[Ko Yong-hwan] It was by the end of the fifties that the first nuclear weapons were brought into North Korea. Kim Il-song opened a nuclear physics course at Kim Il-song University in 1959, or some time before or after that year, to train nuclear specialists. Then, in the mid-sixties, or somewhere around that time, underground nuclear research facilities were built in Pakchon.

Graduates of Kim Il-song University, of the first and second year, were recruited by the nuclear research center. I attended a foreign language institute at that time. Many of the students at such institutions were children of high-ranking officials, including sons of vice presidents and Kim Il-song's cousins.

Rumors akin to state secrets often circulated at that time, just as they must be at present, among the students of foreign language institutes and Kim Il-song University students majoring in political science, economics, language, and literature, to the effect that "Those who are recruited to the nuclear physics department are destined to remain in Pakchon until they die, never being allowed to come out."

Later, nuclear reactors were brought from the Soviet Union, and also specialists were trained there. When I was in France where I traveled often, many officials from the (No. 2) Economic Committee and Nuclear Industry Ministry were stationed there. I heard that a great deal of nuclear technology came from France, Austria, and Germany.

For three years from 1988, we diplomats stationed overseas received many cables from the Foreign Affairs Ministry. The main theme of these cables was how to avoid nuclear inspection at any cost, calling for joint efforts with such countries as Argentina, Algeria, and Pakistan.

Based on examination of these cables, North Korean diplomats stationed abroad concluded that North Korea would be able to produce nuclear weapons in three to five years. This was the common conclusion reached by most of the diplomats.

In Austria, Chin Chung-kuk, Foreign Ministry counselor, declared that North Korea would accept nuclear inspection. This was based on his belief that North Korea would establish diplomatic relations with Japan at an early date, in as much as former Japanese Deputy Prime Minister Shin Kanemaru and many other Japan Socialist Party members had visited North Korea.

In fact, however, North Korea realized that U.S. pressure was far stronger and refusal might serve as a stumbling block to negotiations with Japan over the establishment of diplomatic relations. North Korea thought that it had to declare its willingness to agree to nuclear inspection to facilitate its negotiations with Japan. That is why North Korea declared its agreement to nuclear inspection last May.

Last night I saw on television Counselor O Chang-nim in Vienna, Austria. Up until yesterday morning, North Korea's stand was that it would not link U.S. nuclear weapons to nuclear inspection as stated by Foreign Minister Kim Yong-nam. This means that North Korea wanted to keep the International Atomic Energy Agency [IAEA] from adopting a resolution calling for an imposition of nuclear inspection on North Korea's nuclear facilities. The consideration of setting up diplomatic relations with Japan was part of the reason, too.

Counselor O Chang-nim said that North Korea will not accept nuclear inspection, as an expression of strong displeasure against a forcible nuclear inspection. Counselor O Chang-nim, a man who once served as North Korean ambassador to Egypt and chief of the party's international department, is a man of hot temper, whereas Counselor Chin Chung-kuk, who was sent to Austria last April—or was it May?—I do not recall exactly when, is quiet like an intellectual. He was replaced with Counselor O Chang-nim.

By declaring that North Korea would not accept international nuclear inspection and thereby making its strong displeasure known, Counselor O Chang-nim sought to catch member states of the IAEA by surprise, throwing a scare into them so that they would find it useless to anger North Korea.

At any rate, North Korea is now trying to delay the nuclear inspection through tactical changes, as long as one or two years. The process of having a nuclear inspection ratified at the Supreme People's Assembly or published in the form of Kim Il-song's decree is time-consuming. And even if IAEA officials enter North Korea for the purpose of nuclear inspection, they would not know where the nuclear facilities are, given the closed-door nature of the society.

North Korea sought to achieve its tactical goals, such as the establishment of diplomatic relations with Japan, improved ties with the United States, and weakening ties between these two countries and South Korea. Its ultimate goal, however, is to postpone the nuclear inspection for one or three years, until it acquires the technology to produce nuclear weapons. Its secondary objectives are to establish diplomatic relations with Japan and to force the U.S. forces stationed in South Korea to withdraw nuclear weapons allegedly deployed in South Korea.

[Reporter] Tell us what those in North Korea say about North-South relations and what prospect do they see for the development of relations?

[Ko Yong-hwan] North Korea conducts premier-level talks with South Korea, primarily talks between the authorities, just to conjure up in the eyes of foreign countries the image that it is engaged in talks for reunification. North Korea will try to borrow time by conducting party level exchanges and academic, cultural, and sports exchanges of various descriptions until such time as it establishes diplomatic relations with Japan so that it can overcome economic difficulties with Japan's help.

Only when North Korea's internal situation is aggravated to the utmost, only when its neighboring powerful countries pressure North Korea, and only when, as a result, it realizes that it can no longer delay its opening up, I think, will it sincerely respond to dialogue. I think that it will sincerely respond to dialogue only after 1993, when the seventh party congress will presumably take place.

After arriving here early this year, I went to Namdaemun Market and various other places. The most impressive was Yongin Farmland. I was greatly moved to see people walk hand in hand with their children and buy them what they wanted to eat. Their looks were bright.

Many construction projects are under way in Seoul. I saw many construction sites in France and Belgium. I realized that construction projects under way here are almost on the same level with those of advanced countries. The same is true with the automobile industry. I saw South Korea's Pony car for the first time in 1980. At that time, I thought that that must have been manufactured with Japanese components. I checked the inside of that car and test-drove it myself. I also saw a Stellar and a Sonata. The automobile industry is the symbol of a country's manufacturing industries. I think the automobile industry and the construction industry here have reached the level of advanced countries. I think that South Korea has not reached the level of those countries as far as car accidents are concerned....

[KBS reporter Yi Son-chae] [words indistinct]

[Ko Yong-hwan] I will tell you who Kim Chong-il is, first. I met, greeted, and shook hands with him three or four times. During the celebrations on the 40th anniversary of the founding of the DPRK in 1988, I accompanied foreign heads of state to events at gymnasiums or to the rostrum in Kim Il-song Plaza. Kim Il-song, first, shook hands with foreign heads of state. He was followed by Kim Chong-il, O Chin-u, Yi Chong-ok, and Kim Yong-nam. When we meet Kim Chong-il, we say, "We wish you a long life and good health!" or, "How are you?" I greeted him three or four times. However, he did not look at me at all. He just passed by without looking at me. Kim Il-song is different. When we greet him, he says, "The same to you." I thought at that time how Kim Chong-il could become the leader of a country.

When I was working at the Foreign Ministry, I often worked until one or two o'clock in the morning. Fax is called mosajonsonggi in North Korea. When we receive urgent telegrams from foreign embassies, we.... For example, Mr. Kim Chong-min defected to South Korea in May 1988. I was in charge of Zaire at that time. So, I wrote a report to Kim Chong-il, because he defected while serving in Zaire.

I wrote a letter of proposal that said: Even though it is said that Mr. Kim Chong-min is a high-ranking official at the Public Security Ministry, an official at the Third Official Building [presumably where Kim Il-song is working], or an official high enough to carry a diplomat's passport, we will describe him by saying that he is not a high-ranking official or official of the Party Central Committee but a mere salesman.

I faxed this letter to Kim Chong-il's office. Kim Chong-il once asked the Foreign Ministry to implement a letter of proposal if he does not say whether he approves of it in two hours. I faxed the letter at around 2300 that night. I heard nothing from him until 0100 in the morning. I thought that the letter had been approved. So, we instructed each embassy how to work on this matter. Kim Chong-il called First Deputy Foreign Minister Kang Sok-chu 15 minutes later. He asked us to stress that Kim Chong-min is a dirty salesman. A telegram had already been sent. He called in all of the [first] deputy foreign ministers, deputy foreign ministers, and bureau chiefs in charge and scolded them all night. Working late at night is very good, in a sense. However, low-level officials are too tired to work. He calls at 0100, 0200, or 0300 in the morning. He usually calls sometime from 0100 to 0300 in the morning from Sunday to Friday. The first deputy foreign minister, deputy ministers, bureau chiefs, department chiefs, typists, and fax operators—a total of approximately seven officials—cannot go home and wait all night. He has never called during the day. I do not know whether he is sleeping or going hunting during the day.

There was one thing with which disillusioned me when I was living in North Korea. He must eat good things because he is a great man. That is true. However, officials of the General Guard Bureau were sent abroad. For Kim Chong-il, they buy Hennesey cognac from France, sea crabs from Norway, caviar from the Black Sea, [word indistinct] from Portugal, and blue sharks' liver caught on the coast of Angola, which is good for stamina and which prevents cancer. It is very difficult to catch blue sharks, and one out of 100 sharks is a blue shark. All of these were brought in in the name of gifts of devotion.

North Withdraws Bid To Join IAEA Board

SK1409013991 Seoul YONHAP in English 0121 GMT 14 Sep 91

[Text] Vienna, Sept. 13 (OANA-YONHAP)—North Korea retracted its bid Friday for a seat on the Board of Governors of the International Atomic Energy Agency (IAEA), virtually ensuring South Korea will sit on the board.

Tetsuya Endo, the Japanese ambassador to Austria, said South Korea would be elevated to the board and the selection reported to the IAEA General Assembly that convenes Monday. Japan is a board member.

The North had told IAEA's Asian members of its intention to withdraw from the competition for the seat vacated this year by the Philippines, he said.

It is a tradition that IAEA member states in a region select a candidate for the board by coordinating their opinions.

Seoul expressed its hope to become a member of the board in February and Pyongyang recently followed suit, portending a showdown in the General Assembly.

Diplomats here say the North seemed to know it was a long shot because of escalating pressure by the IAEA for Pyongyang's early acceptance of international inspection of its nuclear facilities.

An official at the North Korean Embassy here said North Korea considered it undesirable to compete with the South as there were many problems between the two Koreas.

Official on North's Rejection of IAEA Accord

SK1409020491 Seoul THE KOREA HERALD in English 14 Sep 91 p 1

[Text] The government will keep watching on how North Korea acts before taking any steps against the hard-line Communist regime in the North, said a ranking Foreign Ministry official yesterday.

He was commenting on the news that North Korean Ambassador-at-Large O Chang-yim refused to sign a nuclear safeguards accord with the International Atomic Energy Agency (IAEA) in Vienna Thursday.

The official, who wanted to remain unidentified, said Amb. O apparently seemed annoyed when the IAEA board of governors adopted a resolution demanding that North Korea sign and ratify the accord. He must have had no information about the resolution before he came to Vienna, the official said.

North Korea promised to sign the IAEA safeguards accord during a board of governors meeting in Vienna in June and agreed on the draft of the agreement with the IAEA in July.

"We are not sure, at the moment, whether Amb. O really meant to refuse the signing when he said North Korea would not sign the accord because of the threat of U.S. nuclear weapons in South Korea or the remarks were simply his reaction to the resolution," said the official.

He said such remarks themselves were not new.

Seoul will keep watching North Korea's moves before taking any actions, the official said. He said North Korea could sign the agreement during the ongoing session of the IAEA board of governors' meeting or after.

Seoul may seek tougher measures to make North Korea sign the accord if it continues to refuse, the ministry official said.

DPRK Vice Minister on Ties With U.S.

SK1409040091 Seoul YONHAP in English 0224 GMT 14 Sep 91

[Text] New York, Sept. 13 (YONHAP)—North Korean First Vice Foreign Minister Kang Sok-chu, speaking at Columbia University, said Friday he believed, and wished, that improvement of relations between Pyongyang and Washington would play an important role in securing peace on the Korean peninsula.

The North's full membership of the world organization would substantially improve North Korean-U.S. relations, predicted Kang, who arrived in New York on Wednesday [11 September] to attend the 46th session of the U.N. General Assembly.

He was guest speaker at a meeting on the international situation and problems concerning the Korean peninsula hosted by a Korean students' association at Columbia University.

He named several conditions for improved Pyongyang-Washington relations—the United States respect North Korea's sovereignty and freedom of choice, treat South and North Korea equally and never mention conditions for improving bilateral relations.

Washington has called on Pyongyang to accept international inspection of its nuclear facilities and continue inter-Korean dialogue before talking about normalization.

"Some people forecast my country will undergo chaos similar to that in other (communist) nations. I say this prediction stems from either ignorance of North Korea or malice intended to isolate us," Kang said.

North Korean communism could never be shaken under any circumstances, he said.

Kang reiterated North Korea's established policies on nuclear issues on the Korean peninsula and its reunification formula and strongly opposed German-style reunification in which one side absorbs the other.

North's Prime Minister Expected To Address UN

SK1609043591 Seoul YONHAP in English 0357 GMT 16 Sep 91

[Text] United Nations, Sept. 15 (YONHAP)—North Korean Prime Minister Yon Hyong-muk will come to the United Nations to give a speech at the U.N. General Assembly early next month, a diplomatic source here said Sunday.

Yon will arrive together with North Korean Foreign Minister Kim Yong-nam and 20 other delegates on Sept. 27, he said.

Yon is likely to make the keynote speech Oct. 2. He and Kim plan to stay until around Oct. 5 and make active diplomatic contacts with foreign ministers and representatives of other countries, the source said.

South and North Korea are to become U.N. members when the general assembly convenes Tuesday. South Korean President No Tae-u will make a keynote speech Sept. 24.

South Korean Foreign Minister Yi Sang-ok, who arrived Sunday, is to return after accompanying No on a state visit to Mexico Sept. 25-27 and stay until Oct. 5, raising hopes for the first inter- Korean foreign ministers' meeting here since national division 46 years ago.

Plan for Economic Exchanges With North Detailed

SK1609084291 Seoul YONHAP in English 0829 GMT 16 Sep 91

[Text] Seoul, Sept. 16 (YONHAP)—South Korea will pursue a three-phase plan for economic exchange with North Korea which will start with expansion of indirect trade and be completed with integration of social welfare system, the National Unification Board said Monday.

In a report to the National Assembly, the board said the first phase plan would call for expansion of indirect trade and its gradual replacement by direct trade, joint exploitation and development of natural and tourism resources, establishment of joint ventures, and joint advancement into foreign countries.

The second phase will see formation of joint markets, free flow of materials and manpower, joint investment in social infrastructure and partial unification of economic activities in areas where mutual benefits are guaranteed.

The third phase will mean the use of single Korean currency, adoption of a unified economic plan and integration of social welfare system.

Korea was divided into the capitalist South and communist North at the end of World War II in 1945. Inter-Korean trade began in 1988 and is made mostly via third countries.

Imports From North Triple 1990 Figures

SK1609044091 Seoul YONHAP in English 0250 GMT 16 Sep 91

[Text] Seoul, Sept. 16 (YONHAP)—There is a brisk flow of North Korean agricultural, fisheries and forestry products into South Korea, according to documents submitted to the National Assembly Monday by the Agriculture, Forestry and Fisheries Ministry.

The 24 items imported during January-August included peanuts, frozen pollack and lumber and cost 30.8 million U.S. dollars, triple last year's 9.17 million dollars, according to the documents.

Medicinal herbs were top at 1,411 tons costing 4.98 million dollars, frozen skate was second at 2,230 tons and 4.51 million dollars and third was frozen corvina at 750 tons and 4.31 million dollars.

Other imports over 1 million dollars were raw silk, peanuts, red beans, frozen alaskan pollack, mushrooms, frozen cuttlefish and dried cuttlefish, the data said.

Potatoes, buckwheat, dried pollack, lumber, frozen swellfish, walnuts, dried acorns, frozen flatfish, short-necked clams, octopus and devil fish were among the items brought in.

North Korea's only import from the South was 5,000 tons of rice valued at 1.75 million dollars.

At the end of August, import permits issued by the government for North Korean products had quintupled to 111.47 million dollars from last year's 20.35 million dollars, according to the documents.

North To Be Consulted on Exchange Proposals

SK1609104091 Seoul YONHAP in English 1028 GMT 16 Sep 91

[Text] Seoul, Sept. 16 (YONHAP)—Deputy Prime Minister Choe Ho-chung said Monday that the government, if necessary, would seek to consult the North Korean government about exchange proposals before making them public.

Choe made the remark while answering questions raised by lawmakers during a session held for parliamentary inspection of state administration. He took "great national exchange" and "grand pilgrimmage for unification" as examples of the proposals.

Choe also said the government was working out measures to cope with each of three possible courses of development of the inter-Korean situation—an outbreak of war, an upheaval in the North and, finally, peaceful unification following North Korea's door-opening and reform.

He described Seoul's "Korean national community unification formula" as the "most reasonable and realistic" proposal for unification of the peninsula.

Papers View U.S. Reaction to Austerity Drive

SK1509004391 Seoul THE KOREA TIMES in English 15 Sep 91 p 6

[Editorial: "U.S. Concern on Austerity Drive"]

[Text] The United States again seems to be concerned with the ongoing austerity campaign now under way at the initiatives of various social organizations. Washington has been particularly wary that the Seoul government may be playing a leading role in the drive with the ultimate goal of curbing imports of foreign goods, especially from the United States.

The U.S. Embassy in Seoul is said to be investigating the nature of the current frugality drive, notably as to whether the campaign is connected with the Korean Government's trade policy aimed at import restrictions. Some American newspapers have already sounded the alarm, labeling the campaign as another of the government's renewed efforts to curb imports.

Government officials said that the U.S. administration has not expressed its official position toward the austerity drive here yet. But it is recalled that Korea was obliged to abandon a similar campaign last year under pressure from Washington and replace "hardline" Trade-Industry minister Pak Pil-su.

If the present campaign spreads and is effective, there is the possibility that history will repeat itself. A U.S. paper contended that if the Seoul government does not drop the anti-consumption drive, President No Tae-u may face U.S. complaints during his visit to Washington on Sept. 20.

It is true that both the government and sensible citizens are in total agreement on the need for curbing the rampant over-consumption trend that they believe undermines the national economy and erodes the social infrastructure. There is no question that spending sprees, especially in imported luxurious items, needs to be discouraged.

And under the current international tendency of seeking what is in their own best interests, no country would be delighted in the gradual collapse of their economic living and social morality. Yet, it is to be noted at the same time that this national movement should not run against the internationally accepted principle of trade liberalization.

Disappointingly however, standards of the trade liberalization are admittedly different from nation to nation. The economic powers, the U.S. in particular, have dictated the rules and the extent of trade openness in favor of its own interests, while they are virtually continuing protectionism for their strategic industries and vital products, with which weak nations are hardly capable of competing, physically and technically.

President No was right to call a group of civic leaders to Chongwadae a few days ago and demand they lead an austerity campaign in order to resolve the current economic difficulties. But his plea could be misunderstood as the government taking a positive part in the movement and after all his initiative can be said to be too naive.

This ironically is compared with the style of ex-Japanese prime minister Nakasone who once visited a department store in Tokyo and bought some foreign-made goods in a gesture to encourage the sale of imported items. Far from the government's official stand, Japanese consumers are quite the opposite, as they shun imported goods, deliberately or not.

The national economy is steered by a combination of the government and the general public, and the separation of economic activities between the two are technically impossible. The current austerity movement, though it was orig8inated by some social organizations, will hardly work without cooperation or encouragement from the government and the mass media.

The question is the motivation of the main initiators and the ultimate goal of the campaign. The U.S. Government may well pay attention to the fact that Korea has recorded a considerable trade deficit with it and its total trade deficit has reached some $9 billion so far this year. There is no reason for the two close allies in political, military and diplomatic fields to become "economic enemies."

Spur to U.S. Trade Friction

SK1409024291 Seoul THE KOREA HERALD in English 14 Sep 91 pp 1, 7

["News focus" by staff reporter Choe Sung-chin: "U.S. Looks Askance at Citizens' Austerity Drive"]

[Text] Another round of trade rows appears to be brewing between Korea and the United States, threatening their hard-won economic amity.

Reigniting the all but dead trade brawl between Seoul and Washington was the revived "frugality" campaign in Korea and the seemingly oversensitive reaction to it among its trade partners, particularly America, officials said yesterday.

Exactly like a year ago, the austerity drive, aimed at expelling extravagant spending among the well-to-do and their less capable imitators far beyond their ways and means, is causing concern over government-initiated import restraints among foreign businessmen and news correspondents stationed here, they said.

"We are closely watching a series of news stories in some U.S. newspapers raising voices over the alleged renewal of the government's import curb," says Choe Hong-kun, director-general in charge of U.S. trade at the Ministry of Trade and Industry [MTI].

One of the articles Choe was referring to was the Seoul-datelined story which appeared in the Washington-based JOURNAL of COMMERCE's Sept. 4 issue.

The story says that a new "frugality" campaign by the Korean Government is quickly zeroing on imports, causing trade tension with the United States and the European Community. The U.S. economic newspaper, said to exert considerable influence among U.S. policymakers and opinion leaders in Washington, also said in a later editorial that the Seoul government should drop the anticonsumption drive, or President No Tae-u may face U.S. complaints during his visit to America from Sept. 20.

"Both Japan and the EC should be prepared to share the burden of promoting free trade in South Korea," the editorial concluded.

MTI's Choe said that the Seoul government has not yet received any notice of concern from the U.S. administration related with the U.S. news report.

"To give a better understanding to foreign businessmen and journalists in Seoul, the ministry plans to hold explanation sessions some time next week," he said.

Despite the MTI's efforts to head off fresh trade frictions with major partners, some private analysts are clearly worried that the present situation, if left to run its course, will surely lead to another all-out trade dispute between the two traditional allies.

The U.S. administration or Congress will likely feel forced to step in as long as the complaints of their businessmen continue, a private trade expert who denied to be named said.

It will be hard for the government to persuade U.S. Government and business officials that the latest austerity campaign and its purpose are different from a similar move a year ago, he said.

To that end, the Korean government should take a more fundamental approach by convincing them of the social, economical and cultural differences between the two countries, which many Americans may find hard to swallow as they live in a more liberal, materialistic and affluent society.

Views on the present situation of the Korean economy also remain wide apart to a surprising extent, he said.

The nation's economic growth of 9.1 percent in the first half of 1991 will not appear to justify a call for frugality but most Koreans are well aware that the growth has been led by domestic consumption and construction, he said.

Some officials' discriminatory clampdown on luxury items has been enough to cause over-reaction-linking it to curbs in the purchase of imported items only, he said.

The social campaign, which calls on government officials to take the lead by putting their own words into action, is in fact being conducted by consumer groups or other social organizations, another government official said.

"The government has never told the people not to buy imported goods," said No Suk-ki, a coordinator at the Office of the Prime Minister.

The government will pursue its policy goals by institutionalized means such as taxation. The extravagance of some rich people cause a sense of alienation and frustration among the working class, who then lose their will to work and try to emulate their wealthier compatriots, he said.

No said discrimination against foreign products has been common even in industrial countries, including the United States and Japan, adding that when the government cracks down on luxury, there is no distinction between domestic and foreign goods.

Luxurious domestic goods include expensive Korean designer clothes sold in boutiques and posh department stores, he said.

"All the important players in the nation's economy should be awakened to reduce the present trade deficit without causing unnecessary frictions with major trade partners," a former top trade official said.

He said the government should strive harder to inform foreign governments and businessmen about the difficult economic situation facing Korea.

Under the modern market economy, enterprises are supposed to work for maximum profit but large domestic manufacturers should refrain from competing to import goods which may crowd out their own products, he said.

Most important is the wise decision making of Korean consumers, who, while seeking only cheaper and better foreign goods, may weaken the foundation of the domestic industry, which will in turn sharply erode their purchasing power, the ex-minister said on condition of anonymity.

* Trade Delegate Discusses U.S. Pressure

912C0278A Seoul CHUGAN CHOSON in Korean 14 Jul 91 pp 54-57

[Article by reporter Chong Chang-yol: "Elaborate Lobbying in the United States Is the Key To Fighting U.S. Trade Pressure"]

[Text] The ROK trade delegation has returned from the United States after winding up its activities there. A trade delegation has been sent to the United States once a year since 1984, and this is the eighth such mission. The successive delegations dispatched annually have contributed to expanding ROK-U.S. trade cooperation and promoting private-level exchanges between the two countries by entering into direct on-the-spot negotiations on business transactions and discussing matters of mutual concern with U.S. firms. Each year, the Ministry of Trade and Industry had sponsored the trade delegation, which consists of private business representatives, until the Korean Traders Association [KTA] replaced it as the sponsor in 1988.

This year's delegation was made up of 36 representatives of 16 domestic firms, with Kim Chin-ho, adviser to the KTA, as its head. The delegation toured major industrial cities in the United States and Mexico during the period from 10 through 28 June, engaging in various activities including purchase negotiations. In the United States it visited Phoenix, New Orleans, Indianapolis, and other cities, and signed purchase contracts amounting to $480 million dollars with over 280 U.S. firms, including $300 million dollars for the purchase of aircraft. In Mexico, the delegation visited major industrial cities to survey the investment climate. During its stay in the United States, the delegation met with Commerce Secretary Mosbacher, Republican Floor Leader Senator Dole, and other influential state government officials and U.S. congressional members. During the meetings with these officials, the delegation explained about the present state of ROK-U.S. trade and the ROK plans for opening the farm products and service markets. In addition, through interviews with 11 influential U.S. newspapers, including the WASHINGTON POST and the NEW YORK TIMES, the delegation conveyed the ROK position on the trade issues.

In view of the urgency of the trade issues, this reporter interviewed KTA Managing Director Kim Un-sang (56), who was in charge of the administrative and technical aspects of the trade delegation's activities, regarding the U.S. position on the ROK-U.S. trade friction, the ROK countermeasures, and the U.S. business trend.

"I got the impression that the U.S. perception of the ROK on the trade issues has changed to a quite friendly one compared with last year. It seems that the roughened feelings which were engendered last year between the two countries over our drive to curb 'excessive consumption' have now softened considerably," said Kim Un-sang.

Kim pointed out that in seminars and various other gatherings, the U.S. side concentrated their questions not on problems directly associated with the trade issues, but on such peripheral problems as the prospect for reunification, the extent that trade with communist countries contributes to the ROK economy, and the trend in the student unrest. In explaining the changed atmosphere, Kim said, "the ROK Government's sincerity in drastically accepting the U.S. demand for market opening in the past seems to have been effective."

Kim said: "With a sharp increase in imports from the United States in the wake of the opening of the market, the trade deficit with the United States currently amounts to $1.1 million. But, recently the export of heavy and chemical industry products to the United States has been picking up, so it seems possible to turn the trade balance with the United States into the black ink this year. A trade surplus of $200-300 million is expected this year, with imports totalling $19.7 billion and exports $19.5 billion. This surplus figure is small compared with the $4.7 billion in 1989 and $2.4 billion in 1990, but this is a desirable phenomenon if we keep in mind that 'expanded equilibrium' is what we should aim for in our trade relations with the United States."

Kim stressed that "one of the important objectives of our delegation was to pave the way for ever-expanding exchanges between the two countries by planting the impression that Korea is a fair-trade country."

When I asked, "Judging from the U.S. pressure for opening the capital and financial markets, the United States demand seems to be so severe as to go so far as to make an issue of the ROK economic structure itself, but do we have to inevitably accede to this pressure also?" Managing Director Kim gave the following answer:

"The U.S. pressure for market opening goes through certain stages. Interfering in the other side's macro economy is the last stage. It seems to be too early, but we should consider ourselves as having reached this stage. Therefore this pressure is one which we are compelled to overcome."

Airing his view that "the greater problem is that in the past we have not been able to develop any counter-strategy against the pressure for market opening," Kim said that "it is urgent to work out a counterstrategy with awareness of what is going on in the world." For instance, Japan has also had experience in staging a "drive to curb excessive consumption" similar to the one staged in our country of which the United States made an issue last year. In Japan's case, however, the drive to curb excessive consumption was staged in conjunction, on the surface, with a drive to conserve the domestic resources; and this left no room for the United States to complain. In addition, before opening the financial and capital market, Japanese firms formed an alliance with their U.S. counterparts to map out joint strategy, and this, Kim said, we should keep in mind for future reference. In preparation for the opening of the capital market, Kim said, Japanese auto makers took the strategic measure of selling 5-10 percent of their stock to U.S. auto makers in order to effectively cushion the shock the inflows of U.S. capital might cause.

Stressing that no less important than these kinds of domestic measures is lobbying in the United States, Kim Un-sang said that "in this regard, we have much to learn."

He said: "It is most important to organize the Americans who benefit from our trade into pressure groups. For instance, we should organize our American auto and steel agents who handle our products into pressure groups so that they may speak for us."

Kim recalled what happened in 1987 when then President Reagan ordered a drastic increase in the tariffs on Japanese semiconductors. He said, "At that time, the U.S. Government held a hearing on this issue, with 75 U.S. firms present, mostly firms using Japanese-made semiconductors. Of the 75 firms, 71 objected to the higher tariffs on Japanese semiconductors. This is partly because the market share of Japanese semiconductors was large and partly because the Japanese semiconductor makers regularly controlled the American firms which used Japanese semiconductors and took advantage of them as a pressure group."

Kim pointed out that we should take note of the "logical lobbying" which Canada staged several years ago when the United States decided to increase the tariffs on imported Canadian timber. At that time, the United States decided to increase the tariffs on imported Canadian timber by 30 percent, and Canada calculated the ripple effects of the increased tariffs and used this analysis in its lobbying activity. According to the calculation, the four major timber producing states, including Oregon, would benefit from the increased tariffs, but all other states would suffer a downturn in building business as a result of higher timber prices caused by the increase in tariff, putting 50,000 persons out of work throughout the United States. On the basis of this analysis, Kim said, Canada used the U.S. carpenters union in lobbying and succeeded in reducing the margin of increase in tariff from the originally planned 30 percent to 15 percent.

Kim stated that we should take note of the fact that Japan concentrated lobbying on the Pentagon in the 1950's and 1960's to reduce its defense outlays under the U.S. nuclear umbrella and shifted the target to the U.S. press in the 1970's and 1980's and is currently shifting it to major U.S. research organizations. That shift in targeting, he said, was meaningful in that it could save unnecessary waste and produce direct results by targeting the policy-making core.

Kim also stated that "lobbying the Mexican Government is what we should pay attention to in connection with the outstanding issues." The United States is pushing ahead with a plan to sign a free trade agreement with Mexico before the 1992 presidential election and subsequently sign similar agreements with the rest of the Latin American countries including Brazil and Argentina, and thus convert the American continents into a free trade zone.

However, in some U.S. business circles the demand has arisen that because a free trade agreement with Mexico is not enough to prevent the ROK and other countries from entering the U.S. market through roundabout capital investment in Mexico, the percentage of value added locally by foreign firms in production in Mexico be increased. By the percentage of value added locally in production is meant the ratio of parts procured locally to the value of the finished goods. The average percentage of value added locally in production by Korean firms operating in Mexico is only about 20 percent. U.S. Senator Gephardt openly demanded that "the percentage of value added locally in production by foreign firms should be increased to about 80 percent so that Korea may not be able to set foot in Mexico." If this kind of U.S. demand is accepted by the Mexican Government, it is quite clear that it would deal a severe blow to our firms. The Mexican Government is opposed to this demand of the United States because it seeks more foreign investment in Mexico. Kim said, however, that in view of the U.S. influence over Latin American countries, we need to cope with all possible contingencies.

Concerning the economic trend in the United States, which bears a close relationship to the U.S. pressure for market opening, Managing Director Kim said: "True, the view that the U.S. economy is entering a recovery phase is gaining ground. But I got the impression in the United States that it will require quite some time for the U.S. economy to recover completely." According to a recent survey by the Hudson Institute, the building and manufacturing sectors in the United States began to rebound respectively in March and May, and the unemployment rate has begun to fall after peaking close to 7 percent. On this basis, the research institute predicts that the United States will get out of the slump and the economy will achieve a 3.4 percent growth this year. Despite this forecast, Kim said, with the U.S. consumers' propensity to spend, the greatest factor influencing the U.S. economy, yet to be revived, the improvement in the building and manufacturing sectors is hardly expected to lead to a general economic recovery. By way of illustration, he referred to the fact that the sale of automobiles, the most accurate measure of the consumer's desire to spend, dropped 5 percent in May from the level in May 1990.

Regarding the economic slump, some blame the excessive consumption habit of the American consumer which has lasted for several years.

Kim said: "The total of credit-card debts of the Americans reached $55.3 billion in 1980 and it shot up to $215.3 billion in 1990. They are so heavily indebted that these days the saying that 'my credit card owns my soul' is circulating in the United States. Under these circumstances, the inability of individuals to pay their credit card debts led to the insolvency of a number of savings and loan associations and commercial banks. According to analysts, this led to a blockage in credit circulation and a strong dollar, which in turn resulted in a slump in exports."

The U.S. fiscal deficit is expected to reach $300 billion this year. According to Kim, a considerable part of this deficit comes from government expenditures to rescue insolvent financial organizations. For this reason, Japanese are saying that the United States is now tormented by four deficits, namely, fiscal deficit, trade deficit, credit deficit, and business deficit.

Some time ago rumors about a depression striking the United States in the 1990's were touched off by the economic slump accompanied by a financial credit. But, in the opinion of Kim Un-sang, the U.S. Government has shown a relaxed mood so far. He said that the U.S. Government's attitude is that the current economic slump is curable because it is not accompanied by inflation.

What impressed the Korean trade delegation most during its recent tour of major U.S. industrial centers was the change that has taken place in the attitude of the American workers. In the face of the sustained economic slump and continuing Japanese economic aggression, the opinion that "something must be done to save the U.S. economy" is becoming widespread among the American workers.

Kim said that "when we visited a tire company in Minnesota, its president explained to us: 'We have not given a pay raise in the past three years, but our workers are working very hard and the company is doing very well.' We also heard the story about the trade unions in various parts of the United States which gave considerable assistance in the fund raising drive for the 'Center for the Study of Economic Strategies,' which was set up in Washington last year to study ways to block Japanese economic aggression."

Managing Director Kim Un-sang said, "this change in the attitude of the American workers is very instructive to us who are faced with economic difficulties caused by the deterioration of the given conditions at home and abroad."

Soviet Envoy Brings Letter From Gorbachev

SK1609021291 Seoul YONHAP in English 0138 GMT 16 Sep 91

[Text] Seoul, Sept. 16 (OANA-YONHAP)—Soviet presidential envoy Vadim A. Medvedev arrived in Seoul Monday with a personal letter from President Mikhail Gorbachev.

Medvedev will call on President No Tae-u Tuesday and meet with business leaders during his five-day visit to explain the current political and economic situations in the Soviet Union.

Medvedev, Gorbachev's advisor for economic affairs, is expected to relay Moscow's appreciation for South Korea's support during the coup last month and assess future Seoul-Moscow relations.

He will also discuss the 3 billion U.S. dollar economic aid package with government officials. Chang Man-sun, assistant foreign minister for political affairs, said after his return from a Moscow visit last week that the government will go ahead with the aid as planned to deliver 500 million dollars in cash loan and 800 million dollars in consumer products within this year.

Medvedev is expected to ask South Korean business leaders for active support and cooperation at private-level to help the Soviet economy.

USSR Aid on Track; Republics To Repay Loans

SK1409080591 Seoul YONHAP in English 0713 GMT 14 Sep 91

[Text] Seoul, Sept. 14 (OANA-YONHAP)—South Korea will go ahead with its 3 billion-U.S.-dollar package of economic aid to the Soviet Union as planned, including a 500 million-dollar cash loan this month, Chang Man-sun, first assistant foreign minister for political affairs, said Saturday.

The aid will be extended to the central government, but considering the growing power of the Soviet republics since the coup, it will be distributed and paid back by the states instead of by Moscow, Chang said.

The assistant foreign minister returned Saturday morning with a five-member government delegation from a 10-day visit to the Soviet Union. Chang and the delegates had met with Moscow and Russian republic leaders during their visit, including Soviet Foreign Minister Boris Pankin and Russian Foreign Minister Andrey Kozyrev.

"The central government and the republics are still to define their relations, the boundary of their authority. We expect them to establish a set formula in economic matters some time next week at the State Council. But a union treaty will probably take another six months or so," Chang told a press conference after his arrival.

Russia has nearly 80 percent of the Soviet Union's financial resources, and much of Korea's 3 billion dollars in aid was likely to go to the republic, Chang said.

Korea and the Soviet Union agreed last January on the aid package, which includes 1 billion dollars in cash loans and 800 million dollars in consumer exports.

Seoul already delivered 500 million dollars in loans and will send the remaining 500 million dollars by end of September, the assistant foreign minister said.

It will also go ahead with the 800 million dollars of exports as soon as possible, he said.

The current channel of negotiation for the loans and exports is the economic management committee, but responsibility will be transferred to republic-centered inter-republic's economic committee, he said.

"The republics are still too weak to stand on their own feet, and the central government remains the official channel for negotiations with Seoul," Chang said. The states are gaining more and more power, and it is most likely that the republics will receive and pay back much of Korea's economic assistance, he said.

Fisheries Agreement With USSR Signed

SK1609023491 Seoul YONHAP in English 0025 GMT 16 Sep 91

[Text] Moscow, Sept. 16 (OANA-YONHAP)—South Korea and the Soviet Union signed a fisheries agreement here Monday, opening Soviet fishing zones to Korean ships and setting up cooperative ties in fishing technology.

A working-level fisheries committee will meet at least once a year to settle issues related to the agreement.

Yun Ok-yong, chief of the Fisheries Administration, who led the Korean delegation, signed the pact, initialed in January. Yun was to due in late August for the signing, but had to delay the trip because of the coup in the Soviet Union.

The 15-article accord allows Korean vessels to fish in Soviet waters in the northwest Pacific. It calls for joint ventures in fish processing, bilateral cooperation in building and repairing ships and in marine pollution prevention, and exchanges of technology and information related to fishing.

The two sides will decide on fishing quotas for Koreans and other details in future working-level negotiations. Seoul is asking for 200,000 tons a year, but Moscow is suggesting 100,000 tons, according to officials.

Foreign Minister Leaves for United Nations

SK1509063991 Seoul YONHAP in English 0420 GMT 15 Sep 91

[Text] Seoul, Sept. 15 (OANA-YONHAP)—South Korean Foreign Minister Yi Sang-ok left here for New York Sunday to attend the 46th United Nations General Assembly where his country will be admitted as the 161st member.

Yi will attend the UNGA opening session on Sept. 17 and make a speech soon after it accepts South Korean membership by acclamation.

Both South and North Korea will be joining the global body under separate seats at this year's assembly.

Yi will be meeting with his counterparts from other countries including Gambia and the Soviet Republic Ukraine. He will accompany President No Tae-u on his state visit to Mexico Sept. 25-27 and return to New York where he plans to stay until Oct. 5 for contacts with foreign ministers from other countries.

North Korean Foreign Minister Kim Yong-nam is expected to attend a dinner hosted by members of the Association of Southeast Asian Nations on Oct. 2 in which Yi will also attend, raising hopes for the first inter-Korean foreign ministers's meeting since the national division 46 years ago.

* Economic Prospects for Second Half of 1991

* BOK, KDI Forecasts

912C0259A Seoul CHUGAN MAEKYONG in Korean 26 Jun 91 pp 21-23

[Article by reporter Yi Che-kyong: "Nine Percent Growth Seen Attainable Without Difficulty; Every Effort Being Made To Hold Down Inflation Within One Digit"]

[Text] What is the prospect of our economy for the second half of the year? Amid a spate of reports indicating the gradual recovery of the world economy, attention is focused on what will happen to our economy.

The forecasts by a number of research institutes, including the Bank of Korea and the Korea Development Institute (KDI), offer a bright prospect.

No Danger of Stagflation

This year our economy is likely to attain a 9-percent growth rate, about the same rate as last year, without difficulty. Some view this level of growth as an indication of recovery, whereas others regard it as a sign of overheating and are afraid of the accompanying side effects.

Naturally, there could be differences of opinion as to the significance of this level of economic growth. But, even those who view it as a sign of recovery argue that if the same level of growth continues into 1992, it will pose a problem.

Until now, the projections of domestic economic growth have changed three times. In the early part of the year, the forecasters feared an insurgence of "stagflation," characterized by low growth and high prices.

In those days the economic projections were based on the assumption that oil prices, the single most potent factor affecting economic development, would rise to $25.00 per barrel. This prospect of high oil prices compelled a gloomy economic forecast.

However, oil prices dropped to the $20.00 level following the end of the Gulf War, necessitating a revision of the earlier economic projections.

Amid the improvement in the world economic conditions, the KDI and other private economic research institutes recently announced the second revisions to their original projections, vying to making optimistic forecasts. All of them say that it is quite possible that our economy will attain an 8 to 9 percent growth this year.

As a primary reason for this high growth rate, they give the fast recovery of our exports.

Generally, the main factors determining economic growth are consumption, investment, government expenditures, and foreign trade.

The forecast of the high growth rate of 8 to 9 percent is based on the assumption that exports will increase sharply.

An increase in consumption and investment can push up the economic growth rate. But, the forecast of an 8 to 9 percent increase is not based on any increase in consumption and investment. Rather, consumption and investment are likely to fall.

With regard to the management of our economy in the second half of the year, the Bank of Korea and the KDI give the first priority to price stability. From this standpoint, the Bank of Korea has suggested that the rate of increase in the volume of currency in circulation should be reduced to 17 percent from the original projection of between 17 and 19 percent.

On the contrary, other research institutes in the private sector argue that the government's economic policies should be oriented toward improving our international competitiveness rather than toward achieving price stability.

The KDI's projection of the growth rate is 10 percent, higher than the level projected by any other institute. Originally, the KDI predicted that the economy will grow only at the rate of 6.9 percent because of the increased oil prices caused by the Gulf War and because of the shrinking level of consumption. Following the end of the Gulf War, it revised its projection, forecasting a 7.4 percent rate of growth. It has just revised its projection once more, forecasting a 10 percent growth rate.

Following the KDI, the Bank of Korea and Daewoo forecast an economic growth rate of 8.9 and 8.6 percent respectively, and both Samsung and the Cheil Economic Institute forecast an 8.5 percent growth rate.

Now we will take a detailed look at the conditions of consumption, investment, and trade which are factored into these projections of economic growth.

Consumption Spending

Generally, the factors affecting growth are consumption spending by the private sector and the government; investment spending by enterprises and the government; and foreign trade. Supposing the investment spending and trade remain constant, the economic growth rate will fall with a decrease in consumption.

According to the predictions by various research institutes, the consumption spending in the second half of the year will drop from the first half-year level. They forecast an 8 percent increase in consumer spending, a rate far below the 10.2 percent for 1990. Cheil Economic Institute forecasts an 8.8 percent increase, the highest projection, and the KDI and Daewoo 8.7 percent, followed by Samsung (8.5 percent) and the Bank of Korea (8.1 percent).

The reason for the low rate of consumption spending is a decrease in disposable income. The decrease in real income resulting from the higher prices, and the diminution in property income caused by the protracted slump in the exchange market will result in a corresponding drop in individuals' ability to spend and in the level of consumption as a consequence.

17.9 Percent Increase in Plant/Equipment Investment Forecast

Investment Spending

Investment which determines the GNP together with consumption is divided roughly into plant/equipment investment and construction investment.

Fixed investment is expected to increase by a large margin in the second half of the year from the first half. In its first revision following the end of the Gulf War, the KDI predicted that fixed investment will increase by 10.6 percent. But in its second and latest revision, it predicts that fixed investment will jump as high as 15.3 percent.

Samsung's projection is the highest at 17 percent among all research institutes, followed by Daewoo (13.2 percent), the Bank of Korea (12.8 percent), and the Cheil (12.1 percent).

The factors behind the forecast of a higher rate of increase in fixed investment for the second half of the year than in the first half, although lower than that in 1990, are the resurgence of the desire to invest in plants and equipment and the improved construction business climate.

The KDI forecasts a 17.9 percent increase in plant and equipment investment for the second half of the year, a rate 6.7 percent higher than the projected increase of 11.2 percent for the first half.

The reason for this forecast is that many firms are expected to hasten the introduction of plant automation in an effort to cushion the higher cost resulting from higher wages, and to cope with the labor shortage.

According to research institutes, the fact that exports are making a rebound while the world economy is on the road to recovery is whetting the desire of enterprises to invest. What is more, firms are expected to hasten plant and equipment investment because the measures designed to encourage investment, such as "special tax deductions for investment" and "the relaxation of credit control over investment by large corporations," are due to expire at the end of this year.

Investment in construction is expected to slow down somewhat because of the measures to cool the overheated real estate market.

The increase in investment in construction in the second half of the year is expected to remain at a 12 to 13 percent rate, a level far below the 27.9 percent last year but slightly higher than the projected rate for the first half of the year. The KDI's original projection and its first revised projection were 7 percent and 10.2 percent respectively, but its latest projection, the second revised forecast, is 13 percent. Samsung, Daewoo, and Cheil Economic Institute have not yet presented their projections on plant and equipment investment.

Trade Account

In a country like ours, where trade accounts a lot for the GNP, export plays a key role in increasing in the GNP.

Earlier, we noted that this year the rate of increase in consumption and investment, which affect the GNP, is expected to be lower than last year.

As a matter of fact, last year the GNP increased thanks to the increase in consumption and investment. Nevertheless, the KDI the Bank of Korea projected a GNP growth rate for this year almost equivalent to the increase in last year. Whereas the rate of increase in consumption and investment is expected to drop this year, exports will increase enough to offset this drop and achieve the same high level of economic growth as last year.

All Agree Exports Are Picking Up

The Daewoo Economic Institute makes the brightest projection of exports, forecasting that the volume of exports will reach $74 billion. The KDI estimates the volume of exports this year at $72.6 billion, a whopping increase of 15.1 percent over last year's export volume of $63.1 billion. During the Gulf War, the KDI's projection was $66.7 billion, and following the end of the Gulf War, this projection was changed to $69 billion.

Following Daewoo and the KDI, Samsung forecasts an export volume of $72 billion for this year, the Bank of Korea $70.2 billion, and Cheil $70 billion. They are all agreed that exports will be in good shape.

Views on imports vary. In the first half of the year, imports increased by a large margin partly because of the increased spending on oil imports caused by the higher oil prices resulting from the Gulf War, and partly because of the import of aircraft and increased domestic demand. However, research institutes predict that beginning in the second half, imports will decrease thanks to the stable level of oil prices and a decrease in domestic demand.

Nevertheless, the Daewoo and Samsung economic research institutes say that imports will increase rapidly as a result of the opening of the market.

Daewoo, in particular, makes this shocking prediction: imports will reach $84.1 billion, bringing the red ink in the trade account to over $10 billion, even if exports increase to $74 billion. Daewoo is not the only one who thinks that the trade deficit will hardly shrink. Samsung predicts that imports will rise to $81.5 billion, pushing up the trade deficit to $9.5 billion.

The Bank of Korea is more confident than others that thanks to the government measures for economic stabilization, the pace of domestic demand will slow down. According to its projection, imports will not exceed $71.8 billion at the most.

A trade deficit is inevitable even if exports increase thanks to the recovery of the world economy, even if domestic demand decreases thanks to the stabilization measures. The prevailing view is that given the trade deficit exceeding the $5 billion mark as of the end of May, this year's trade deficit will not drop below the $5 billion mark even if imports and exports should balance.

Those who foresee a large trade deficit argue that even if the world economy makes a favorable turn, our economy, beset by structural problems, will not enjoy a high rate of increase in exports as expected.

Prices

With the pace of price increase slowing down somewhat at the beginning of the second half of the year, most of research institutes except Cheil Economic Institute, forecast a one-digit increase in the price level for the second half of the year.

When research institutes made their 1991 economic projections last year, they singled out price increases as the most dreadful cancerous problem.

Price Increases Peak for Now

In the first half of the year, all the internal and external conditions operated together as factors spurring price hikes. Externally, high oil prices exceeding $25.00 a barrel persisted; and internally, we had higher wages, the raised public utility rates, the expanded fiscal expenditures, the increased volume of currency in circulation, and fears of inflation, and there was no miracle cure for putting the rising prices to sleep.

But, beginning in the second half, with the cancerous growth of high oil prices cut out, our economy has been removed one step away from pressures for higher prices.

Nevertheless, given the difficulties persisting in the supply of building materials due to the rising demand for construction and, what is more, with wage negotiations yet to be completed, there still remain many pressures for higher prices.

In addition, the current controversy over the total volume of currency supply raises the specter of higher prices. Business circles argue that the rate of increase in the total volume of currency supply should be raised by an additional 2 to 3 percent because of the conversion of short-term financing companies into other business categories scheduled for July.

With short-term financing companies slated to be converted to banks, the amount of money transacted by these companies which was previously not included in the calculation of the total volume of currency will now be included in this total. For this reason, business firms argue that if the government should persist in limiting the margin of increase in the total volume of currency to somewhere between 17 and 19 percent, they will encounter a dire fund shortage.

However, the scheduled conversion of short-term financing companies into another business category did not come as a surprise. The government must have anticipated the conversion of a certain number of short-term financing companies into banks, and it is quite obvious that this anticipation was factored into the projection of the total volume of currency. For this reason, the argument of business circles that the volume of currency should be increased does not sound persuasive.

The Bank of Korea and the KDI share the view that domestic demand needs to be curtailed in order to curb price increases, and that the rate of increase in the volume of currency in circulation should be held down to between 17 and 19 percent.

* Forecast for 14 Industries

912C0259B Seoul CHUGAN MAEKYONG in Korean 26 Jun 91 pp 37-39

[Text] The business prospects for the manufacturing sector for the second half of the year are bright overall. The shipbuilding, automobile, and tire industries, which were in the doldrums during the Gulf War, have now entered a period of boom; and the semiconductor, compute, paper, and machine industries, which began to rebound in the first half of the year, have entered a period of stable demand. However, the footwear, petrochemical, and steel industries are not expected to get out of the slump easily. The following is the industry-by-industry prospect for the second half of the year.

Semiconductor

The semiconductor industry, which began to rebound in the first half of the year, is expected to enter a period of boom in the second half.

Since the Gulf War ended, demand for personal computers is rapidly increasing, and the boom in related industries such as the HDTV, computer workstation, and facsimile industries is expected to greatly spur secondary demands.

In Samsung Electronics' case, in the wake of the mass production of 4-mega DRAM, which has emerged as the main-line semiconductor, the company has launched an offensive to explore new export markets and is optimistic about the prospect of achieving this year's semiconductor export goal of 1.2 trillion won (as against 910 billion won last year). Under this strategy, Samsung plans to increase the 4-mega DRAM output from 1 million units in the first half of the year to 2 million in the second half.

Computer

The prospect for the computer industry for the second half year is bright. The prevailing forecast is that the industry will recover completely from last year's slump and enjoy a boom.

As late as the first quarter of the year, the volume of computer exports to the United States, the leading market, registered a 10 percent drop from the same period of 1990. But, beginning in the second half, it made a rebound with a sharp rise in the export volume centering on XT's and AT's.

According to analysts, the Korean-made notebook-size personal computers and home PC's are popular overseas, and in addition, the industry's market diversification strategy, such as entry into East European markets for instance, turns out to be effective.

A rosy outlook is expected to be prevalent with the sharp increase in the demand for AT PC's for educational and business use.

Construction

The construction sector is still literally "overheated." The government authorities are doing their utmost to cool the overheat by limiting the building sizes when issuing building permits, and by delaying the schedule for lot sales for apartments in new towns, but it is an unknown quantity whether the overheated market will be brought under control.

The construction boom is expected to continue through the second half, when the construction of 2 million housing units and new investments in highways, ports, and other social overhead construction projects are expected.

In particular, when a general election is held next February or thereabout, a full-scale boom is expected in the latter part of the second half year.

Electronics

In the second half of the year, both exports and domestic demand are expected to increase 10 to 15 percent over the same period of 1990, but the increase will fall below the rate of increase (30 percent) scored in the first half year.

Analysts predict that international competition will heat up amid the gloomy prospect of deterioration in the export market due to the protracted recession in Europe and the United States. Competition is expected to intensify in the Soviet Union and East Europe as elsewhere, due to inflation and oversupply. There is a move afoot in Hungary and some other East European countries to levy import duties on color TV's, raising fears that this will weaken the competitive strength of Samsung, which has a locally incorporated firm in Hungary.

In Asia, the average level of export is likely to be maintained except in Indonesia and the Philippines, which are perusing currency entrenchment policies.

Shipbuilding

The boom in the shipbuilding industry is expected to continue through the second half year. The volume of orders received by the domestic firms totals 6.14 million tons, which is enough to last one and a half years to fill at the annual pace of 3.5 million tons of shipbuilding. New orders are expected to revive in the second half thanks to an increase in the volume of cargo shipment overseas and the replacement of superannuated vessels, after a temporary lull following the outbreak of the Gulf War.

Footwear

The footwear industry has been hit by a violent typhoon, so to speak.

Compared with the same period of 1990, the volume of orders received dropped by 40 to 50 percent in the second half of 1991.

The overstocked inventories which have piled up since the outbreak of the Gulf War is not the only reason. Another reason is that buyers in the United States, the largest importer of footwear, no longer want Korean-made footwear. Developing countries such as China and Indonesia are producing at a lower cost the same kind of footwear we are producing. Nike and Reebok, the largest footwear manufacturers, have turned their eyes on Southeast Asia where the production cost is lower.

The proportion of the quantity of footwear produced in Korea by the foreign firms to the total footwear output has also dropped to 40 percent from 70 percent last year.

Cement

The industry cannot even conceive the idea of exporting cement and is rather worried that it may have to import cement.

As long as the construction boom persists, the prospect for the cement industry is bright. What is more, social overhead investments are expected to increase by leaps, giving rise to a sharp boost in the demand for cement.

Unlike last year, practically no country except China is currently exporting cement; therefore there is no way to fill the peak demand with imports.

The cement firms are expanding their production capacity in order to fill the peak demand.

Petrochemical

The existing petrochemical firms are expected to be increasingly beset by a sharp increase in domestic supply and the excessive imports from abroad in the second half of the year. With the commissioning of Sosan petrochemical complexes by Hyundai and Samsung, the supply of ethylene, the basic material for petrochemical products, is expected to exceed the demand by 30 percent. As a consequence, the supply of petroleum derivatives, such as PP, PS, and SM, is expected to exceed the optimum demand by a margin of 30 to 50 percent, accelerating the slump in the prices. Petrochemical firms are striving to develop new demand for exports, but they find themselves in a quandary as they have to endure the pains of below-cost exports due to the sharp drop in the prices in the Southeast Asian markets.

Automobile

The auto industry is expected to enjoy a continual upturn in the second half of the year. Despite some hitches in production caused by various labor disputes, the industry scored a 25 percent increase in overall sales in the first half year, with exports and domestic demand soaring by 39.2 percent and 20 percent respectively. In the second half year, the industry is expected to continue to improve, judging from the fact that the overall market climate is getting better with the improving export competitiveness of our domestic car manufacturers resulting from various factors, such as the recovery in the U.S. market, the expansion of markets the East and West Europe, the strong yen, and the continuing development of new models

Tire

The tire industry, which registered a 30-percent increase in domestic demand and a 10-percent increase in exports in the first half of the year, is expected to score similar gains in the second half of the year. However, competition in the domestic market is expected to heat up in the wake of the entry of large foreign firms into the Korean market, and there is some uneasiness about the export market in view of the fact that the supply way exceeds the demand and that the market demand is continuing to diminish. Nevertheless, the prevailing view is that the boom in our domestic tire industry, which is the only tire industry in the whole world enjoying an uninterrupted growth, is likely to continue for now, boosted by the prosperous domestic auto industry.

Steel

The steel industry is expected to experience some difficulties due to the opaque outlook of the steel-using industries. Despite the unfavorable external conditions, such as the worldwide decrease in steel demand and the worldwide drop in the prices in the early part of the year, our steel industry attained a greater gain in domestic demand in the first half year than originally expected, thanks to the rebound in the steel-using industries such as automobile, shipbuilding, electronic, and construction industries. Steel exports also registered an increase of 8 percent or more in the first quarter, with a sharp rise in exports to Japan resulting from the recovery of the competitiveness in Japan of our steel exporters.

The steel output is expected to rise in the second half of the year due to the normal operation of Kwangyang No 3 furnace of Pohang Iron and Steel Company and the increased capacity of electric converters.

Paper

Overall, the paper manufacturing industry is expected to enter a period of stability in the second half of the year.

Generally speaking, it is customary for the paper making industry to perform somewhat better in the second half year than in the first half. This is because the second half year is the season in which after the lean months of May, June, and July, demand for paper increases as books sell well and school supplies are in demand for the new school term in the fall and Christmas cards, the next year's calenders, and packaging boxes for gift packing are in great demand. For this reason, officials of the Association of Paper Manufacturers expect that demand for paper will increase by 15 to 20 percent in the second half of the year over the first half of the year.

Machine

Business activity in the machine industry improved in the first half of the year, and the industry is expected to enjoy the same upward trend. Originally, the machine industry had a gloomy prospect for the year due to the Gulf War and other adverse conditions. But it attained nearly a 20-percent growth rate in the first half thanks to the early conclusion of the Gulf War, the recovery of related domestic demand, and the improved competitiveness resulting from the depreciation of the won.

In the second half of the year, the machine industry is expected to attain a 20-percent growth over 1990 thanks to the sustained construction boom at home and an increase in exports to new markets in Southeast Asia, East Europe, and Africa.

Food

In the beverage and food industries, a business upturn is expected of some hard and soft drink manufacturers. Experts predict that overall the food industry will maintain a stable growth of 10 percent or so.

The temporary boom enjoyed by some food producers thanks to the special demand during the election season in the first half of the year is expected to end in the second half. However, alcoholic and nonalcoholic beverages are expected to continue to score a 15 to 20 percent gain.

* ROK's Economy: Strategy for Revival

912C0286A Seoul HANGUK KYONGJE SINMUN in Korean 31 Jul 91 p 1

[Editorial: "Strategy of Revival for the Korean Economy From a Global Perspective"]

[Text] The recently published World Bank report—"World Developments 1991"—is very suggestive about the future management of the Korean economy. The book, subtitled "Challenge of Development," contains suggestions as to what principles Korea should work on to find a way out of its current plight. Presently, Korea is seized with fretfulness like a high school senior who once was the world's top student in growth but whose grades are falling gradually.

Thailand, Indonesia and Malaysia as well as China are right on its heels. It is under pressure to give up a large part of its U.S. market share to Mexico, while European markets are threatening to go protectionist by forming blocs through the EC integration. At a time when the need for a leap in technology on its own—a condition essential for arrival at the level of advanced nations—has yet to be accomplished, the industrialized nations are even spurning Korea in this area, to say nothing about cooperating in technological transfers. Meanwhile, domestic markets are exposed to the wave of liberalization. Even more importantly, since we are destined to live as a trading nation, we have no alternative but to liberalize our markets.

Consequently, domestic industries including agriculture, service as well as manufacturing industries, had to see the abolition of various devices that had been in place for their protection. Our manufacturing industries have been hit with Japanese products and our agriculture with imports from the United States and developing countries, compounded by Japanese, U.S. and other advanced countries' firms which are now flooding Korea's service sector.

Beyond that, the authoritarian political system that guaranteed stability for the nation's economic activity during what could be compared to its juvenescent period is no longer there. The significance, however, lies not in the fact that the system is now nonexistent but in the problem that we still have such a long way to go in attaining a mature democratic political system capable of supporting a new leap of the national economy to its adolescence. Industrial firms still remain unable to find a basic solution to labor-management disputes, while wage increases have turned out to be the biggest factor hampering competitiveness of Korean products in world markets. Politicians and bureaucrats seem to be unaware of what they should do to serve the people. They simply run about aimlessly, except in seeking popularity and vested rights and interests. Therefore, they would merely play with regulations of economic activity this way or that without getting anywhere.

The World Bank report once again reminds us of the fundamental principles to be followed in economic development. World Bank President Barber B. Conable states in its preface that the most important experience the World Bank has had as supplier of economic development funds and adviser on development policy in the past 40 years was the realization that a war on poverty can most surely be won when the government plays the role of market supporter and fail dramatically when it goes against the market force. Therefore, he notes, the government should always employ a "market-friendly approach," limiting its intervention only to areas where market forces do not reach.

The report stresses that investment to increase productivity continues to be the core strategy of economic development. The important thing here, it continues, is the quality rather than the quantity of such investments. In order to improve the quality of investments, it is necessary that investment decisions are made by individuals and businesses involved. The report points out that only the investments made on the basis of a calculation of the anticipated domestic and international competition can produce gains in productivity.

With that in mind, the report cites four strategic factors: First, from the microeconomic viewpoint, competitiveness of individual enterprises must improve. Second, from the macroeconomic perspective, the economy must be free of inflation. Increased issues of currency must be suppressed. If prices go too high, they cease to function as an indicator showing the direction for investment. Third, the domestic economy must be closely linked to the international economy. Import and export liberalizations are ultimately beneficial to economic development. Fourth, emphasis must be laid on investment in the development of human resources. In the final analysis, a key to improved productivity and competitiveness lies in human resources.

The world economy will mark an unprecedented high growth in the remaining decade of the 20th century, says the World Bank report, adding that economic developments of the Soviet Union, East European nations and Third World countries will play a key role in that arena. The former communist world nations and Third World countries have a common factor of growth in the very fact that they are in the process of shifting to the market economies, abandoning the principle of government intervention.

In this connection, the Korean economy is faced with two urgent practical tasks, in addition to the above-mentioned four strategic tasks put out by the World Bank. One of them is to attach greater importance to the markets of East European and Third World countries, which will be the sites of future growth, and to deepen economic cooperation with them wholeheartedly. To do so is not only of strategic significance for the Korean economy but more importantly it is our obligation as a conscientious member of the world. The other task is to establish an economic structure centering on the market force, radically and indeed fundamentally. Professor Sachs of Harvard University recently emphasized that swiftness should be the first consideration when changing the principle of business while a slow-moving pace is fatal. What he means is that to "proceed with caution" is impermissible when changing the rule from "keeping to the left" to "keeping to the right" or vice versa.

The Korean economy should by all means be freed from its current plight of being sandwiched between the developing nations and advanced countries, and from all its stagnation, confusion and fretfulness.

Burma

Minister Leaves for UN-Sponsored Oil Meeting

BK1509075091 Rangoon Radio Burma in Burmese 1330 GMT 14 Sep 91

[Text] A Myanmar [Burmese] delegation led by Vice Admiral Maung Maung Khin, member of the State Law and Order Restoration Council [SLORC] and minister for energy and mines, left Yangon [Rangoon] by air this morning to attend the high-level meeting on administrative and financial strategies on petroleum development and production sponsored by the United Nations Center on Transnational Corporations. The meeting is to be held in Malaysia from 16-18 September.

The delegation was seen off at the airport by General Than Shwe, deputy chairman of SLORC; Lieutenant General Tin Tun, minister for transport and communication and for social welfare and labor and member of SLORC; Major General Khin Nyunt, secretary-1 of SLORC; Maj. Gen. Tin U, secretary-2 of SLORC; Maj. Gen. Myo Nyunt, chairman of Yangon division law and order restoration council and commander of Yangon military command; Brigadier General Abel, minister for planning and finance and for trade; and senior military officers; responsible personnel from the Ministry of Energy and Mines; and Malaysian Ambassador Mr. Sallehudin bin Abdullah and embassy officials.

The minister was accompanied by U Tin Tun, director general of the energy planning department; U Pe Khin, director of engineering of the Myanmar Oil and Gas Enterprise; and Lieutenant Thaung Tin, personal secretary to the minister.

Public Servants Ordered To Report on Relatives

BK1209035791 Rangoon Radio Burma in Burmese 1330 GMT 11 Sep 91

[Excerpts] Lieutenant General Chit Swe, chairman of the Irrawaddy Division Flood Relief and Rehabilitation Work Committee [IDFRRWC] and minister for agriculture and forests and for livestock breeding and fisheries toured townships affected by the floods in the Irawaddy Division since 9 September. The minister returned to Yangon [Rangoon] this evening after coordinating flood relief work with local authorities and giving necessary instruction. [passage omitted]

Major General Tin U, secretary-2 of the State Law and Order Restoration Council [SLORC], attended the meeting of the IDFRRWC and inspected flood relief work and flood situation together with Lt. Gen. Chit Swe in Irrawaddy Division.

The minister and secretary-2 stayed overnight in Henzada on 10 September. At 0730 today, Maj. Gen. Tin U, accompanied by Commander Maj. Gen. Myint Aung, and Naval Chief of Staff Commodore Than Nyunt and responsible officials visited Ledi Monastery in Henzada. [passage omitted]

Secretary-2 Maj. Gen. Tin U and his entourage went to the Town Hall at 0800 and met with members of township and township zone law and order restoration councils, public servants, and businessmen. [passage omitted]

Speaking at the meeting, Maj. Gen. Tin U said during his meeting with the public servants, that he would like to explain to them the political and economic situation. He said it is known to all that the country's political situation is stable. However, some political parties and leftist and rightist destructive elements are spreading rumors to undermine this stability. He said meanwhile, some major countries bent on cultivating followers and wanting to become their masters are creating all sorts of obstacles and hindrances.

He said the political parties sole concern for obtaining power for their respective parties are indeed disturbing. Therefore, it is necessary for public servants to be aware of and understand the instigations and subversive activities of these destructive elements aimed at undermining stability and to expose leftist and rightist destructive elements. He added, the pubic servants should stay clear of party politics in striving to strengthen the country's administrative machinery. He said once the administrative machinery is destroyed the country would be in ruins. He said therefore, he would like to call on the public servants not to engage in party politics.

Continuing, Maj. Gen. Tin U said public servants who are being paid by the state should be loyal to the state and they should serve the interests of the state. He said it is also necessary for public servants to be free of corruption and bribery. He said although some public servants are receiving their salaries from the state, they are engaged in deception and it had prompted the Ministry of Home and Religious affairs to issue Warning Notice No. 1, ordering them to stop deceiving the state government—the Defense Services. He said they should be aware of the reasons behind this notice and take heed.

Continuing, Maj. Gen. Tin U said that public servants are to report any missing relatives or relatives who have connection with insurgents. He said action would be taken if they fail to do so.

Maj. Gen. Tin U said in continuing to discharge its state duties, the SLORC would give priority to economic development. He said that because Burma is an agricultural country, we should strive according to the motto "Plant everything that can be consumed and breed everything that can be eaten." He said it is most important to nurture nationalism and patriotism, and work with perseverance to obtain results. [passage omitted]

Political Parties Announce Personnel Removals

BK1409023291 Rangoon Radio Burma in Burmese 1330 GMT 13 Sep 91

[Press Release No. 27/91 of the Commission for Multiparty Democratic General Elections of the Union of Myanmar [Burma], dated 13 September]

[Excerpt] The commission hereby issues a press release on the following matter presented by some political parties registered with this commission as follows:

1. The National League for Democracy [NLD] has removed U Chit Khaing as a member of the NLD for not resigning from the NLD as a member according to NLD regulations although he had resigned as an elected People's Assembly representative of the NLD from Taungtha Township constituency-1, Mandalay Division.

2. The Patriotic Old Comrades League [POCL] has removed U Chit Khaing according to party regulations as general secretary and member of the party for resigning on his own wishes as an elected NLD People's Assembly representative for Taungtha constituency-1 without informing the POCL. [passage omitted]

Government Accused of Detaining Parliament Members

BK1409080691 London BBC in Burmese to Burma 1345 GMT 13 Sep 91

[Text] The leader of Burma's self-declared provisional government has said that opposition members of parliament were threatened by the Burmese authorities to sign a statement declaring that the National League for Democracy [NLD] has nothing to do with this group. Radio Burma had announced that a majority of the NLD members of parliament had signed a statement saying that the group was unconstitutional.

However, in a statement to the BBC in London, U Sein Win, leader of the opposition coalition has said that the members of parliament were put under immense pressure and claimed that the Burmese Government has detained more than 80 opposition members of parliament.

Residents on Thai Border Endangered by Fighting

BK1209023991 Bangkok THE NATION in English 12 Sep 91 p A6

[Text] The lives of about 15,000 Burmese elderly men, women and children on the Thai-Burma border are in danger because of heavy fighting between the Rangoon military junta and student rebels.

An urgent plea sent out yesterday by the All Burma Students Democratic Front (ABSDF) Regiment 207 at the Ye Kyaw Camp said that the State Law and Order Restoration Council (Slorc) has forced Burmese people in 14 rebel camps to flee to the edge of the Moei River bordering Thailand.

"These 15,000 people, mostly ethnic Karens, are afraid to cross the Moei because of the Thai government's current policy of arresting war refugees and forcefully repatriating them back to Rangoon to be tortured in turn by the Slorc government. It has been reported that Thai and Slorc armies have conducted joint military operations in Mae Sot to round-up selected war refugees," said the plea.

"There is little hope for these Burmese people in the ABSDF camps against the Slorc military forces. Of the few weapons ABSDF has, many are useless because they are so old that matching calibre bullets cannot be found.

"Medical supplies and supplies for the injured or sick are non-existent. Many suffer from malaria and numerous infections. If these people give themselves up to the Slorc forces, it would certianly mean torture and possible death for them.

In a recent report by the UK-based human rights group Amnesty International, it was stated that Burmese refugees in Thailand have no effective and durable protection against being forcibly returned to Burma where they fled from large-scale human rights violations.

"They are being forcibly returned to Burma despite the fact that they risk being subjected to serious human rights violations in that country, and in direct contravention of Thailand's international obligations," said Amnesty International.

According to Amnesty International the forceful repatriation of refugees to Burma is a direct contravention of the 1951 Convention relating to the Status of Refugees. Although Thailand is not a party to the Convention, Amnesty International says Bangkok should respect the norms of general international law, which is binding on all states regardless of whether they're parties to the 1951 Convention.

ABSDF is a student army and together with Karen rebels are fighting for democracy in Burma.

Slorc seized power in August 1988 after killing thousands of students and others demonstrating for democracy. After an election defeat in May 1990, Slorc has refused to relinquish power to the winner of the election—the National League for Democracy.

Brunei, Malaysia, & Singapore

Malaysia

Defense Chief Says Military To Defend Spratlys

BK1609050091 Hong Kong AFP in English 0446 GMT 16 Sep 91

[Text] Kuala Lumpur, Sept 16 (AFP)—Malaysia is beefing up its navy and air force to ensure they can defend its interests in the South China Sea and the Spratly islands, Chief of Defence Forces General Hashim Ali said Monday.

Hashim said in an interview published in the Malay language UTUSAN MALAYSIA that he did not think the navy and air force could successfully defend Malaysian interests in the South China Sea without being upgraded.

Malaysian troops have occupied three atolls in the Spratly chain of islands claimed in whole or part by China, Taiwan, Vietnam, the Philippines and Brunei.

Hashim said that the air force was being modernised to enable it to deploy rapidly while the navy would be given new weapons including state of the art radar.

"If we are to defend our sovereignty and economic interests we must have a balanced defence force and this includes (strengthening) the army, navy and air force," he said in the interview to mark Malaysia's Armed Forces Day.

Malaysian Defence Minister Najib Tun Razak said Sunday that Malaysia was proceeding with plans to build an airstrip at Layang- Layang, one of the atolls in the Spratly chain expanded into an island and occupied by Malaysian commandos.

Construction of the 1.5 km (one mile) airstrip would begin once a feasibility study is completed, he said in response to news reports that Taiwan had voiced objections to the Malaysian plan.

Malaysia has announced plans to develop the island into a tourist centre and earlier this year organised an international fishing competition there.

General Cites Efforts To Upgrade Armed Forces

BK1509135491 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 15 Sep 91

[Text] Chief of Defense Forces General Tan Sri Hashim Mohamed Ali says efforts are being made to upgrade the capability of the armed forces to defend the country's strategic interests. He points out the ending of the cold war between the superpowers will not necessarily guarantee the security of the Southeast Asian region. As it is difficult to determine the future security situation in the region, Malaysia must be prepared at all times to face any eventualities. He said this over RTM [Radio Television Malaysia] to mark the 58th armed forces day tomorrow.

Gen. Tan Sri Hashim said the armed forces' modernization program will include the purchase of sophisticated weapons to enhance the country's capability in conventional warfare. He added that Vision 2020 to make Malaysia a developed nation in 30 years could only be achieved if there was peace in the country.

According to him, the armed forces could play an important role toward achieving the vision by ensuring peace so that the government could concentrate on socioeconomic development.

Tax Avoidance Agreement Finalized With Venezuela

BK1409085091 Kuala Lumpur BERNAMA in English 0756 GMT 14 Sep 91

[Text] Kuala Lumpur, Sept 14 (OANA/BERNAMA)—Malaysia and Venezuela have finalised the details on an avoidance of double taxation agreement to be signed by Prime Minister Dr. Mahathir Mohamed during his visit to Caracas in November.

President Carlos Andres Perez will sign the agreement for Venezuela, Finance Minister Anwar Ibrahim said in a joint press conference with his Venezuelan counterpart Roberto Pocatera Silva at the Kuala Lumpur international airport in Subang near here.

He said the agreement would help increase the investment flow between the private sectors in both countries in wide-ranging fields, especially manufacturing and agriculture.

The agreement was also in line with the efforts of Malaysia and Venezuela to promote South-South cooperation as both were "front-line" countries in the endeavour, said Anwar.

Silva, who left for home after a five-day visit, said he was here for discussion on the agreement between the two sides and was happy that it had been finalised.

He said Malaysia and Venezuela could share knowledge and experience in the economic field to forge a closer bilateral relationship.

He said they could also learn from each other on exporting their products as both had experienced the problems of penetrating certain markets, especially in the developed countries.

Silva said he was grateful to have been briefed by Petronas [National Petroleum Corporation] and visited its installation in Terengganu as Venezuela was starting to develop liquefied natural gas (LNG) fields.

Mahathir Leaves for Visit to Mexico

BK1609043591 Kuala Lumpur BERNAMA in English 0413 GMT 16 Sep 91

[Text] Kuala Lumpur, Sept 16 (OANA-BERNAMA)—Prime Minister Dr. Mahathir Mohamed left for Mexico Monday for a six-day official visit to pave the way for closer bilateral trade and economic ties.

The visit, the first by a Malaysian prime minister, is at the invitation of Mexican President Carlos Salinas de Gortari.

Dr. Mahathir was accompanied by his wife, Datin Paduka Dr. Siti Hasmah Mohamed Ali.

Speaking to reporters at the airport, Dr. Mahathir said he would discuss possibilities of trade co-operation with member countries of the North American Free Trade Agreement (NAFTA).

He would also brief them on the East Asia Economic Group (EAEG) and Asia Pacific Economic Cooperation (APEC).

After Mexico, Dr. Mahathir will go to New York to attend the United Nations General Assembly on 24 September.

The prime minister has a tight schedule for the next five days.

Among other things, he is scheduled to address the Mexican Business Council for International Affairs, visit the Mexican Oil Institute and tour the industrial city of Monterrey, and petro-chemical and plastics industries in Altamira.

He will also visit Cancun, a tourist resort, before leaving for New York on 22 September.

Singapore

PRC Urged To Continue To Strive for Harmony

BK1509131291 Singapore Singapore Broadcasting Corporation in English 1100 GMT 15 Sep 91

[Text] Singapore has urged China as a permanent member of the United Nations Security Council to continue to strive toward maintaining peace and harmony. Both countries agreed that the Security Council should play a more expanded role toward this goal.

A Foreign Ministry spokesman made these points today on the outcome of talks between President Wee Kim Wee and Chinese leaders. The spokesman quoted the Chinese leaders as stressing that countries can live and cooperate with one another (?irrespective) of their ideologies. They said peace could be maintained by all countries which accept and comply with the principle of noninterference in the internal and domestic affairs of other countries.

On the recent events in the Gulf, Eastern Europe, and the Soviet Union, China cautioned that the world is going through a very tense and [words indistinct]. It said all countries should work toward maintaining peace by [word indistinct] problems in one country [words indistinct].

The spokesman also quoted the prime minister, Mr. Li Peng as saying he was confident of reaching a peaceful settlement on the Cambodian issue.

President Yang Shangkun, in his farewell call to President Wee, said he may visit Singapore early next year if it was convenient to both sides. President Wee is now in Zhuhai in Guangdong province for the last part of his eight-day visit to China.

Cambodia

North Korea To Open Embassy in Phnom Penh

BK1609051191 Phnom Penh SPK in French 0412 GMT 16 Sep 91

[Text] Phnom Penh, 16 Sep (SPK)—The State of Cambodia's foreign minister has just received a letter from DPRK Foreign Minister Kim Yong-nam on the forthcoming opening of its embassy accredited to Cambodia's Supreme National Council [SNC] in Phnom Penh.

This message was delivered by a North Korean diplomat who came to Phnom Penh for this purpose.

Earlier, France, Thailand, Australia, and Japan announced their readiness to open embassies accredited to the SNC. These countries have already dispatched their technical teams to Phnom Penh.

Chairman Hun Sen Departs for UN Meeting

BK1409051291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 14 Sep 91

[Text] At 0800 on the morning of 14 September, Comrade Hun Sen, chairman of the Council of Ministers of the State of Cambodia [SOC], and the delegation of the SOC's Supreme National Council [SNC] of Cambodia left Phnom Penh for New York in the United States of America, to attend the 46th session of the UN General Assembly as a member of the SNC and to take part in the SNC discussions on the problems remaining from the Phatthaya meeting.

Seeing the comrade Council of Ministers chairman off at Pochentong Airport were Comrade Bou Thang, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Sar Kheng, member of the party Central Committee Political Bureau and chief of cabinet of the party Central Committee, and chairman of the Central Organization Commission; Comrade Say Chhum, member of the party Central Committee Political Bureau and standing vice chairman of the Council of Ministers; Comrade Mat Ly, member of the party Central Committee Political Bureau and vice chairman of the party Central Committee's Control Commission; Comrade General Tie Banh, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and defense minister; female Comrade Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Cambodian Federation of Trade Unions; Comrade Nguon Nhel, member of the party Central Committee Political Bureau and agriculture minister; Comrade Nei Pena, member of the party Central Committee Political Bureau and vice chairman of the party Central Committee's Control Commission; Comrade General Sin Song, member of the party Central Committee Political Bureau and interior minister; Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of the Phnom Penh Municipal Party Committee; Comrade Lieutenant General Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of the Cambodian People's Armed Forces' General Staff; and the comrade members of the party Central

Committee, ministers, deputy ministers, department chiefs and deputy chiefs, and leaders of various central institutions in Phnom Penh.

Hints at Accepting Sihanouk Formula

BK1509010091 Bangkok THE NATION in English 15 Sep 91 p A4

[Text] Phnom Penh Premier Hun Sen yesterday hinted that he may accept former Cambodian monarch Prince Norodom Sihanouk's proposal on a combination of two electoral systems as a compromise formula for the elections in Cambodia.

"I think it is a fair proposal and this needs to be further discussed," Hun Sen told THE NATION yesterday when he was in transit at Don Muang airport on his way to Tokyo.

Important figures in Cambodia's Supreme National Council (SNC) that united the Phnom Penh and the tripartite resistance coalition are to meet in New York next week.

They will finalize the UN draft agreement ready to be signed at the Paris International Conference on Cambodia by the end of October as tentatively agreed upon by Sihanouk and the host.

Hun Sen said the tentative date which falls on Oct 31 was suitable, given the fact that the electoral system to which he referred to as the remaining issue to be tackled by the SNC members was a minor one.

Bangkok-based diplomatic sources said Hun Sen and other leaders of the resistance side—Khieu Samphan of the Khmer Rouge and Prince Norodom Ranariddh of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party—except Son Sann of the Khmer People's National Liberation Front (KPNLF) have already agreed to Sihanouk's formula.

During their meeting in Phatthaya last month, both Phnom Penh and the resistance were divided on the electoral system.

The former wanted the single ballot constituency poll known as "the first-past-the-post" system while the latter preferred proportional representation as envisaged by the UN peace plan.

Sihanouk, who is SNC president, then tried to forge a compromise electoral formula by proposing a combination of the two systems where additional parliamentary seats would be given to political parties which garnered a large number of votes during the election but did not win many seats.

Hun Sen and his delegation, which included Foreign Minister Hor Namhong and Defence Minister Tie Banh and Deputy Foreign Minister Sok An, were received at the airport by a senior official from the Thai Foreign Ministry.

The Thai foreign ministry has been stepping up its contacts with Phnom Penh since the Cambodian peace talks gained momentum at the ealier meeting in Phatthaya in June.

Last week Deputy Foreign Minister Wichian Watthanakhun led a humanitarian trip to Phnom Penh to hand over emergency flood relief assistance to the Phnom Penh government.

Representatives from the Bangkok-based embassies of Japan, Australia and the Soviet Union which are countries actively involved in the peace process were also seen at the airport.

Hun Sen Thanks Thai Government for Relief Aid

BK1409123291 Phnom Penh SPK in French 1125 GMT 14 Sep 91

[Text] Phnom Penh 14 Sep (SPK)—Hun Sen, chairman of the State of Cambodia's Council of Ministers, wrote to Thai Prime Minister Anan Panyarachun thanking the Thai Government and people for having provided relief aid to the victims of the recent flood in Cambodia, following the appeal launched by Prince Norodom Sihanouk, chairman of the Supreme National Council.

Hun Sen expressed his gratitude to Prime Minister Anan and the Thai Government and people for their sympathies for the Cambodian people, who were affected by the unprecedentedly grave natural calamity.

The Thai Government has granted an emergency aid worth $400,000 to the flood victims in Cambodia. The first batch of the aid was handed over by Thai Deputy Foreign Minister Wichian Watthanakhun in Phnom Penh on Tuesday 10 September.

Army Press Communique Notes Truce Violations

BK1409123891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 14 Sep 91

["Press Communique" of the Army Information Office—read by announcer; date not given]

[Text] Between the end of the fourth week of August and the beginning of the first week of September, the Pol Pot and Sonsannian groups committed 14 violations of the unlimited cease-fire—including two artillery barrages; one robbery of the people's cattle; and eight shipments of armaments, ammunition, and troops in preparation for offensives.

As a matter of fact, 130 Sonsannian soldiers were trucked to an area 6-10 Km southeast of [words indistinct] in Banteay Meanchey Province on 28 August for the purpoes of carrying out onslaughts against our forces defending the positions there.

On the same day, some 50 Polpotist soldiers shipped four carts of 107-mm shells to an area 14 km southeast of

Angkor Chum District in Siem Reap Province in an attempt to wreak havoc upon our villagers.

Along with this, Polpotist troops from Division 519 on 1 September shipped ammunition to an area west of Phnum Srok District in Banteay Meanchey Province. They transported ammunition to the areas of Ta Pho and Phsa Chak as well. Particularly on 29 August and 2 September, some 100 Sonsannian soldiers plundered 37 cattle in areas north of Paha Village and west of Soeng Village.

Further on Foreign Minister's News Briefing

BK1409012691 Bangkok THE NATION in English 14 Sep 91 p A5

[Text] Phnom Penh—Phnom Penh plans to free all political prisoners once a Cambodian peace accord is signed and some of them will be released soon, according to Foreign Minister Hor Namhong.

Hor Namhong disclosed this to a group of foreign correspondents yesterday, a day before his departure to New York. He added: "We have to observe the agreement. When we sign the agreement, we will release all the political prisoners, but some of these people, I believe, will be released soon".

He did not specify when and who will be among those released early, but it is believed that they would include the six government officials who were arrested between May 16 and 25 last year in connection with attempts to form an opposition political party.

The minister maintained that the six officials, including former minister of transport and communications Ung Phan, were arrested on charges of "collusion" with foreigners and overseas Cambodians and not because of their plan to form a new political party.

Apart from Ung Phan, the five others are Kan Man, former deputy director of the Foreign Ministry's America and Europe Department, Thun Sarya, former acting director of the Institute of Sociology, Nou Saing Khan, former chief of the Ministry of Transport and Communications' Planning Department, Col An Sum, former official of the National Defence Ministry's Research Department, and Khay Mathury [name as published], an architect formerly working at the Ministry of Foreign Affairs.

Apart from the six, possibly other people were arrested in May last year. They "apparently remain under some form of detention" and "none of them have been charged with a recognizably criminal offence or brought to trial," said a report last November from the London-based Amnesty International.

The report added that it "believes some or all of them may be detained solely for peacefully exercising their right to freedom of expression and association by trying to publish the manifesto of a new political party to be known as the Democratic Freedom Party or Liberal Social Democracy Party."

Hor Namhong said he believed that this group would be released without trial.

Private and international human rights organizations, including the International Committee for the Red Cross (ICRC), have repeatedly voiced their concern over the fate of political prisoners and prisoners of war detained by both Phnom Penh and the tripartite Cambodian resistance.

No official figures on prisoners are provided by the four factions, but independent sources put the number on the Phnom Penh side at about 2,000, while a much smaller number was estimated for each of the resistance factions.

The Geneva-based ICRC has tried in the past years to have access to all prisoners, and its president during a meeting last September with Prime Minister Hun Sen was given a pledge that he would be allowed to visit 800 prisoners detained by Phnom Penh.

The ICRC had continued to press for the right of access and repeated visits to "all prisoners" as well as of freedom to talk and interview them without the presence of government officials. So far the ICRC has not visited any prisoners.

"In principle, we agreed to allow the ICRC to visit the prisons, but they have not done so as yet because there are some practical questions that have to be settled between the two sides," said Namhong.

He added that ICRC and Phnom Penh have not negotiated on the number of prisoners and what the Red Cross wanted was an access to those under "temporary custody."

Since Phnom Penh did not consider these people as "prisoners", further discussion on the issue is needed, according to the minister.

"We never determined the number. We would allow them (ICRC) to visit the prisoners and we would also allow them to see some others. But there are other places which are not prisons but just temporary places of custody before detainees are sent to tribunals. The question is that they would like to see these places and our authorities say that they are not yet prisoners, so we have to discuss and negotiate the matter further," said Namhong.

Last month in Phatthaya, a three-member ICRC delegation led by Ors Boegli, deputy delegate general for Asia and the Pacific, held a working meeting on the issue of political prisoners and prisoners of war with Cambodian representatives of the Supreme National Council and its President Prince Norodom Sihanouk.

Boegli told THE NATION after the meeting that Sihanouk "took the matter seriously" and had "urged all parties to collaborate fully with the ICRC." "I am pleased with the four parties' willingness to cooperate with us," he said.

He added that the prince had invited him to present a report on the issue at the Paris International Conference on Cambodia when it is reconvened probably by the year-end.

SRV Assembly Delegation To Visit

BK1409054891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 14 Sep 91

["Communique of the National Assembly's cabinet"]

[Text] At the invitation of Comrade Chea Sim, chairman of the State of Cambodia's National Assembly, a high-ranking delegation of the SRV National Assembly led by Comrade Le Quang Dao, chairman of the National Assembly and vice chairman of the Council of State of the SRV, will pay an official friendship visit to the State of Cambodia in the near future.

Phnom Penh Reportedly Plunders Flood Aid

BK1509032691 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 14 Sep 91

[Text] Between 1 and 5 September, 94 families totaling 289 persons fled from flooding and the Vietnamese aggressors' oppression and asked for permission to stay with our national resistance forces. These 289 people came from Kompong Speu, Takeo, Kampot, and Kandal Provinces.

After informing our national resistance forces of their misery and famine and the loss of their children, relatives, property, and crops, these people said with great anger against the Vietnamese aggressors that the humanitarian aid, such as rice and foodstuffs, that the world community has donated for helping Cambodian flood victims did not reach the people. The aid had all been plundered by the Vietnamese aggressor forces, Vietnamese administrative agents, and the Phnom Penh side. The people said that families of these elements used this aid abundantly while our victimized people were starving and dying every day due to shortages of food and medicine. Moreover, their remaining meager property and utensils had all been plundered by the Vietnamese aggressors. They said that if they stayed on, all of them would have died. Thus, they decided to flee to stay under the national resistance forces for the time being. They will return home when the flooding subsides to join hands in dismantling the Vietnamese aggressors' administration in their villages and communes and setting up national councils to replace it. [as heard]

Chea Sim Visits Flood Victims in Takeo

BK1409034091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 13 Sep 91

[Text] On the afternoon of 12 September, a high-ranking party-state delegation led by Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the National Council of the Kampuchean United Front for National Construction and Defense, accompanied by Comrade Lieutenant General Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of the General Staff of the Cambodian People's Armed Forces, and Comrade Kong Sam-ol, member of the party Central Committee and vice chairman of the Council of Ministers of the State of Cambodia, visited and distributed aid to 1,500 families of flood victims in Kaoh Andet and Boreicholasa Districts of Takeo Province.

The aid consists of materials and money totaling over (?18.2) million riel donated by various generous persons and companies.

Upon arrival in Koh Andet District, Comrade Chea Sim was warmly welcomed by Comrade Khim Bo, member of the party Central Committee and secretary of Takeo Provincial Party Committee; Comrade So Phirom, deputy secretary of the Provincial Party Committee and chairman of the Provincial People's Committee; and many cadres and personnel.

Comrade Khim Bo reported on the flood situation which is seriously threatening a number of districts, such as Kaoh Andet, Kirivong, Boreicholasa, Angkor Borei, and Samraong Districts. He also reported on the losses and damage, totaling about 2 billion riel, to irrigation networks, important communications lines, rice crops, houses, and people's property.

Speaking to flood victims, Comrade Chea Sim expressed his deep sympathy with them and pointed out that the flooding had caused damage in all areas throughout the country. He also informed the people of the solution to the Cambodian problem which, through several negotiations, has drawn close to its final stage, adding, however, that there were some remaining issues to be discussed further.

In conclusion, Comrade Chea Sim called on the victims to patiently strive to overcome all obstacles caused by the flood in order to restore crops in the flooded areas, thus normalizing their livelihood.

Comrade Chea Sim and the delegation presented necessary items to monks and distributed aid to the 1,500 families of victims—1,000 families from Kaoh Andet District and 500 others from Boreicholasa District.

Vietnamese, Phnom Penh Side Reportedly Arming

BK1609090291 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 15 Sep 91

["Report on Vietnamese aggressors and the Phnom Penh side arming their hidden forces in villages and communes"]

[Text] Reports from all places say that the Vietnamese aggressors and the Phnom Penh side are currently arming their hidden forces, the so-called core cadres, with K-54 and K-59 pistols. These hidden forces comprise:

1. Military cadres taken from all units; and

2. Existing ruthless gangs in villages and communes.

The reports also say that the task of the hidden forces, or core cadres, are:

1. To destroy the peace agreement in Cambodia reached in accordance with the five major powers' peace plan;

2. To spy, arrest, and most secretly kill people;

3. To secretly destroy forces of other sides opposing the Vietnamese aggressors or carry out various subversive activities during the transitional period; and

4. To intimidate and threaten people during elections to vote for the Vietnamese aggressors and the Phnom Penh side.

This is another dirty and cheap maneuver of the Vietnamese aggressors and the Phnom Penh side. The entire Cambodian people are unanimous that only by vigorously implementing the Eliminate Two, Build Four and the Three Do Nots and Three Dos tasks in accordance with three methods to scatter and eliminate the Vietnamese aggressors' state authorities and more vigorously setting up village and commune national councils can the danger caused by Vietnamese aggressors' hidden forces in village and commmunes be solved.

As the old saying goes, the fruit is ripe; however, if the hook is hesitant, the fruit will not come down.

Indonesia

Students Urge Filipinos To Oppose U.S. Bases

BK1609051891 Hong Kong AFP in English 0454 GMT 16 Sep 91

[Text] Jakarta, Sept 16 (AFP)—A dozen Indonesian students marched to the Philippine Embassy here Monday calling on the Philippine government and people to unite in fighting against the presence of American military bases there.

The members of the Youth and Students Group against U.S. Military Domination presented a letter addressed to Philippine President Corazon Aquino denouncing the presence of the bases as obstructing the ideals of neighbouring countries for regional peace and prosperity.

They carried posters that read among others "Cory, a U.S. puppet", "Subic is U.S. interest in Asia," and "Long life to the Philippine people."

The protestors dispersed after only 10 minutes when three police officers arrived at the scene. The law here bans any demonstration.

The Philippine Senate voted Monday to reject a proposed treaty with Washington that would allow the United States to continue using the naval base in Subic Bay. Aquino Sunday called for a referendum on the issue.

Indonesian Foreign Minister Ali Alatas on Saturday stated Jakarta's opposition to the presence of any foreign military base, especially of the superpower countries, in Southeast Asia saying that it would heighten international tension at the expense of regional peace.

Alatas Opposes Presence of Foreign Bases

BK1509153291 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 15 Sep 91

[Text] Indonesia as a nonaligned country has consistently stated that it cannot accept the presence of foreign bases and does not see the real benefits of their presence in other countries. Foreign Minister Ali Alatas reiterated Indonesia's views that foreign military bases would also prompt reactions from other countries, making the security around the bases fragile.

Speaking in Jakarta yesterday, Minister Ali Alatas recalled a 1967 consensus among ASEAN countries that the presence of military bases in the Philippines should only be temporary. The ASEAN countries accept the presence of the bases so long as they are not used to undermine other countries. Similarly, other countries will not interfere with the termination of their presence. In Indonesia's opinion, regional security is influenced by four big countries—the United States, Japan, the Soviet Union, and China. The four countries will remain in Asia because they have political interests here.

Government Recognizes Independent Baltic States

BK1409074291 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 14 Sep 91

[Text] President Suharto has agreed that Indonesia as of now recognizes the three Baltic states of Lithuania, Latvia, and Estonia.

Foreign Minister Alatas told newsmen that the official recognition of the three independent and sovereign Baltic states will be made through the Foreign Department in the form of an official letter to each of the three Baltic states.

Minister Forsees More Investment From Malaysia

BK1309122391 Jakarta ANTARA in English 1049 GMT 13 Sep 91

[Text] Kuala Lumpur, Sept 13 (ANTARA-ECOANA)—A top Indonesian official has said that he expects more investors from Malaysia to put their stakes in Indonesia.

Finance Minister J.B. Sumarlin said that investments from Malaysia were still relatively small compared to those from other countries.

Sumarlin said that considering Malaysia's high economic growth, he expected that more Malaysian businessmen would like to set up their ventures in Indonesia.

He aired his expectation in Kuala Lumpur on Thursday afternoon after meeting his Malaysian counterpart, Datuk Sri Anwar Ibrahim. The two ministers held talks after signing an agreement on the avoidance of double taxation in the countries' bilateral trade.

According to Sumarlin, Indonesia's investments in Malaysia reached more than one billion ringgit (over 700 billion rupiah), while Malaysia's investments in Indonesia were recorded at around 100 to 150 million ringgit.

"We need to study this: How could we boost up Malaysian investment in Indonesia," he told ANTARA reporter.

Meanwhile, Anwar Ibrahim said that having been informed by his opposite number, he had appealed to Malaysia's private sector to put more investments in Indonesia.

Data from ANTARA's representative office in Kuala Lumpur shows that Indonesia's investment in Malaysia will increase dramatically this year because a large corporation from Surabaya has agreed to set up a steel factory in Terengganu.

Over the past few days, a number of Malaysian media have reported that P.T. Gunawan Iron and Steel Corp. had allocated around 500 million Malaysian ringgit to finance the construction of the factory.

Admitting that a lot of Indonesian investments entered Malaysia through other countries and not directly from Jakarta, Sumarlin said that he strongly believed that Malaysia would step up its investments in Indonesia in the near future.

Indonesia and Malaysia, aware that the imposition of double taxation would not benefit the two countries's trade, agreed to abolish it.

Sumarlin, accompanied by Tax Director General Mar'ie Muhammad and other officials of the Finance Ministry, was in the Malaysian capital for a few hours before flying back to Jakarta on Thursday.

Minister Views Trade Ties With PRC

BK1309152491 Jakarta ANTARA in English 1100 GMT 13 Sep 91

[Text] Shanghai, Sept 13 (ANTARA-ECOANA)—The direct trade between Indonesia and China in 1990 showed a surplus for Indonesia, but if it was added with the one carried out through third parties, the position of their trade was actually balanced, Minister of Trade Arifin Siregar said here on Friday.

The minister said that the Indonesian export value to China in 1990 reached 840 million U.S. dollars, while its import value from that country totalled 680 million U.S. dollars or a surplus of about 160 million U.S. dollars for Indonesia.

But, he said, the export/import activities of the two countries were also carried out through third nations such as Hong Kong.

If the exports/imports through the third countries were also taken into account, the trade volume of the two states would total 1.8 billion U.S. dollars, showing that the trade relations between the two states almost balanced.

The problem now is how to increase the trade volume, the minister said adding that his current visit to that country is therefore aimed at increasing export/import activities between the two countries.

He said businessmen of both sides have concluded 15 trade contracts worth about 900 million U.S. dollars.

Kissinger Sees No PRC Communist Influence

BK1309094591 Jakarta ANTARA in English 0926 GMT 13 Sep 91

[Text] Jakarta, Sept 13 (OANA-ANTARA) - Former U.S. State Secretary Henry A. Kissinger said here Friday communism in the PRC would not influence Indonesian political culture as the country was "very independent" and enjoyed the support of a strong economic system.

After meeting House Speaker Kharis Suhud at the Parliament building, he told newsmen that Indonesia could not be easily influenced by another ideology as it continued to uphold a free and active foreign policy.

Such a foreign policy, Kissinger who served as state secretary under republican U.S. presidents Richard Nixon and Gerald Ford said, was very suitable for Indonesia since it enabled the country to bridge the relations between the advanced and developing nations, especially through the Nonaligned Movement (NAM).

He also said that communism in China—the world's most populous country—would not immediately collapse like what happened in the Soviet Union because such ideology there was still backed by its economic system.

Kissinger met Suhud for 40 minutes to discuss efforts to preserve the culture and tradition of the Asmat tribe in Irian Jaya.

Suhud is chairman of an organization for the development of Asmat culture, while Kissinger is one of the board of director members of Freeport, a giant U.S.-Indonesia joint venture copper mining firm.

Army Denies Timorese 'Terror Campaign' Claim

BK1609054491 Melbourne Radio Australia in English 0500 GMT 16 Sep 91

[Text] The Indonesian Army has denied claims by East Timorese rebels of a terror campaign prior to a visiting Portuguese Parlimanetary delegation. Indonesia's defense minister, Benni Murdani, says the delegation, accompanied by United Nations advisers, will see there are no human rights violations in East Timor.

But the PACIFIC NEWS service reports East Timorese sources say the Army is using torture and death squads to undermine local support for the Fretilin Independence Movement. The PAC news sources say Indonesia wants the Timor to appear politically immature and in need of Indonesian rule.

Laos

Statement Recognizes Independence of Baltic States

BK1409012091 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 14 Sep 91

["Statement" issued by LPDR Foreign Affairs Ministry on the independence of the three Baltic republics; dated 12 September]

[Text] The Government of the Lao People's Democratic Republic [LPDR] has closely followed the changing situation in the Soviet Union, in particular the proclamation of independence by the three republics in the Baltic sea region, namely the Latvian Republic, the Lithuanian Republic, and the Estonian Republic. The LPDR has considered the proclamation of independence by the said three republics as appropriate, and maintained that it conforms with the aspirations of the people of the three republics as well as with the reality in the Soviet Union in the interest of peace, stability, and cooperation in the region and the world.

The LPDR Government hereby announces an official recognition of the independence of the Latvian Republic, the Lithuanian Republic, and the Estonian Republic. The LPDR Government also wishes to establish diplomatic relations with the three republics.

Third Round of Border Talks With PRC Held

BK1309130091 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 13 Sep 91

[Text] The Lao government delegation led by Deputy Foreign Minister Soulivong Phasitthidet and the Chinese government delegation led by Vice Foreign Minister Liu Huaqiu held the third round of the Chinese-Lao border talks in Beijing on 12 September.

The negotiations proceeded in an atmosphere of friendship. Both sides acknowledged the operations of the two countries' technical border teams and initialed a Chinese-Lao border treaty and an addendum map. Both sides, after consultations, agreed that they will submit the border treaty and addendum map for formal signing as soon as possible.

The conclusion of the Lao-Chinese border treaty will play an important role in promoting bilateral relations and good neighborliness, sustaining the stability and bringing about quick economic development in areas along the two countries' common border.

Yasir 'Arafat Congratulates Kaysone on Election

BK1309142391 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 12 Sep 91

[Text] Yasir 'Arafat, Palestinian president and chairman of the Executive Committee of the Palestine Liberation Organization [PLO], on 20 August sent a message of congratulations to Kaysone Phomvihan, president of the Lao People's Democratic Republic [LPDR], on the occasion of the latter's election to the presidency of the LPDR.

The message says: On behalf of the Palestinian people, the PLO Executive Committee, and on my own, I regard it an honor to extend warm greeetings and best wishes to your excellency and through your execellency to the Lao Government and people. The election of your excellency to this important post confirms the Lao people's respect toward your excellency and demonstrates the confidence and support the Lao people have for the government's policy of national reconstruction which is aimed at achieving progress and prosperity of the Lao people.

Yasir 'Arafat highly treasures the friendly relations and firm solidarity between the Lao and Palestinian peoples. He expresses his belief that both sides will continue to strengthen and improve their friendly relations, cooperation, and militant solidarity for the benefit of the peoples of the two nations and progress, prosperity, peace, stability, and justice in the two regions and world.

Yasir 'Arafat also extends the Palestinian people's appreciation for the support and generosity of the Lao president, party, government, and people for the just struggle of the Palestinian people which has encouraged the Palestinian people to resolutely continue their struggle inside the Intifadah movement under the leadership of the PLO, the sole legitimate representative of the Palestinian people for the liberate the Palestinian territory from Israeli occupation, the implementation of the national right to self-determination, and the establishment of the indepedent State of Palestine with Jerusalem as its capital.

Prime Minister Congratulated by Thai Army Chief

BK1409033491 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 14 Sep 91

[Text] Yesterday, General Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR], received a message of congratulations from General Suchinda Khraprayun, army commander of the Kingdom of Thailand. The main contents of the message read as follow:

Whereas the Supreme People's Assembly [SPA] of the LPDR has passed a resolution appointing you as new prime minister of the LPDR, on behalf of the Thai army and in my own name, I would like to convey congratulations and best wishes to you and your family as well as the soldiers and people of Laos on this occasion.

Gen. Suchinda expressed the conviction that the appointment of Gen. Khamtai Siphandon on this occasion will help further promote, strengthen, and advance prosperity in the relations of fraternal friendship between the two armies and two peoples of Thailand and Laos.

The message said in conclusion: On this auspicious occasion, with the power of the Triple Gems and all other sacred things in the world, I wish you and your family happiness and prosperity in all respects as you wish.

Savannakhet Lifts Import Duty on Rice

BK1109074891 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 11 Sep 91

[Text] According to the resolution recently adopted by the provincial administration of Savannakhet, a quota of 4,000 tons of rice has been set for state and state enterprises and traders to import from foreign countries. The provincial administration will not impose an import duty on this amount of rice on the condition that it must be sold to the people at low and reasonable prices. The issuance of this special resolution is due to the fact that the province's crop production this year has been heavily hampered by droughts, floods, and pests. Consequently, the people in many localities are facing rice shortages.

It was also reported that the administration of the said province had purchased 190 tons of rice from other places for distribution through low-price sale or loan among the people in the affected areas.

Philippines

Enrile Accuses Pro-Bases Senators of Threats

HK1109120891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 11 Sep 91

[By Restie de Quiros of DZRH Unit No. 8]

[Excerpt] Senate Minority Leader Juan Ponce Enrile accused the pro-bases treaty senators of creating blatant threats to coerce the antibases senators to act in favor of a bases agreement ratification.

Enrile referred to the reported collapse of the economy, cutting off American aid to the country, defeat of the Armed Forces, and the occurrence of a coup attempt in the country if the treaty is not ratified. According to Enrile, all of these are blatant threats by those who pretend to be the real promoters of national sovereignty. Enrile took a stand against the ratification of the treaty in his privilege speech in the Senate.

He also said that if the U.S. military bases continue to stay in the country, it is not a remote possibility that the Philippines could get itself involved should enemies of the United States attack. [passage omitted]

Pimentel: Referendum Impossible, No Legal Basis

HK1109120691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 11 Sep 91

[Italicized passages in English]

[Text] Senator Aquilino Nene Pimentel bet that it is impossible to have a referendum regarding the fate of the Republic of the Philippines-U.S. bases treaty. In an interview with Deo Macalma, Senator Pimentel said the position of the 12 antibases senators will not change. Senator Pimentel also clarified that the holding of a referendum to know the result of the agreement is a clear violation of our Constitution, because it has no constitutional basis.

[Begin Pimentel recording] Perhaps the referendum has no more hope because it is really in violation of the Constitution. Even Pelaez [ambassador to the United States] who was there yesterday, admitted that *there is no legal constitutional basis to hold a referendum at this point.* [end recording]

Orbos Continues Talks in U.S. on Postbases Ties

HK1309012591 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 12 Sep 91

[Text] Former Executive Secretary Oscar Orbos continues his talks with White House officials in the Pentagon and Washington. Orbos has been in the U.S. capital since 9 September to talk to officials there regarding the fate of the Republic of the Philippines-U.S. relationship during the postbases era. Orbos said the time has come to change the relationship between the two countries toward a bilateral, economic, and trade partnership for the benefit of the people of the United States and the Philippines, particularly during the post-bases era. Orbos expressed the belief that such a partnership will improve both countries' goal to have equal responsibilities. Orbos admitted that the change in the relationship with the United States in so short a time may affect the Philippines but said we can recover through mutual economic concerns.

Multisectorial Group Endorses Bases Referendum

HK1409031291 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Sep 91

[Text] A multisectorial group endorsed to President Aquino the holding of a referendum along with the national election on 11 May 1992 in order to resolve the issue of ratification of the new bases treaty. The holding of the referendum is just one of the alternatives proposed by the multisectorial group during a meeting called by President Aquino yesterday in Malacanang.

President Aquino is set to make a decision on this matter within a few days. Executive Secretary Franklin Drilon says the holding of a referendum along with next year's election will save the government added cost.

Meanwhile, Malacanang is still studying whether to call a meeting with the Security Council to discuss the economic and political situation of the country if the bases treaty is not ratified.

Manglapus on Joint Withdrawal Group Formation

HK1609030691 Manila PHILIPPINES NEWSDAY in English 16 Sep 91 pp 1, 2

[By Arthur I. Bariuad, Dionisio Tubianosa, and Fidel F. Asor Jr.]

[Text] The Aquino administration has invoked the 1989 Manglapus-Shultz Agreement which gives an open-ended time for the withdrawal of American forces in the Philippines by providing for the formation of a withdrawal committee, but which is silent on a timeframe wherein the United States withdrawal might be completed, Foreign Secretary Raul Manglapus told reporters Friday night.

In effect, the administration has told the Americans, "don't leave until after we have held our referendum which will overturn the Senate rejection of the bases treaty."

The withdrawal committee is now in the process of being formed.

President Aquino yesterday said the earliest time a referendum on the treaty could be held was December this year and Senator Neptali Gonzales, president of the ruling Laban ng Demokratikong Pilipino (LDP) [Struggle of Filipino Democrats], said Mrs. Aquino would make very important announcements about the referendum tomorrow.

Manglapus told reporters he had informed the American Embassy that the Philippines was invoking the Manglapus-Shultz Agreement and because of this the names of the withdrawal committee members from the American side had been submitted to the Department of Foreign Affairs.

Manglapus said over the weekend Manila and Washington had already formed the joint withdrawal committee provided for under the 1988 Military Bases Agreement (MBA) review, to be convened after the Senate had cast its final vote on the proposed accord.

Manila's move to invoke the Manglapus-Shultz Agreement came after Washington had sent signals it would pull out immediately should the Senate finally reject the proposed accord.

The move would delay U.S. withdrawal form the Subic Naval Base pending the national referendum Malacanang is planning in a desperate attempt to overturn the Senate's tough stance against the treaty which is widely perceived as "lopsided."

Under the 1988 MBA review, also known as the Manglapus-Shultz Agreement, the joint withdrawal committee will discuss the mechanism for the orderly pullout of U.S. military forces.

The review clause does not provide a definite timetable for a U.S. pullout, which makes the agreement more advantageous than the Ramos-Rusk Agreement which specifically provides a one-year withdrawal period, analysts say.

Aside from providing for an orderly pullout, the provision will also serve as a legal basis for the continued stay of U.S. military forces after they are no longer allowed to remain in Philippine territory until the new Congress will have been elected.

Ambassador Raul Ch. Rabe, spokesman for the Philippine panel in the bases talks, said the U.S. could still be allowed to remain in the Philippines provided that military operations be stopped.

The Constitution mandates that no foreign military bases or troops will be allowed in Philippine territory unless covered by a treaty duly concurred in by at least a two-thirds vote of the Senate. The Senate is expected to formally reject the treaty today.

Although, the U.S. warned it would immediately withdraw if the treaty were rejected, U.S. Defense Department spokesman Pete Williams said last week "the current agreement gives us a year to withdraw," a hint that the U.S. would invoke the Ramos-Rusk Agreement, which specifically gives the U.S. a one-year withdrawal period after the notice of termination is served. Manila served notice in May 1990.

Earlier this week, Washington said it had approached some East Asian countries and some member-states of the Association of Southeast Asian Nations to be possible hosts to U.S. military facilities should the Americans withdraw from the Subic Naval Base. However, no ASEAN country has so far accepted the U.S. proposal.

Indonesia, the new chairman of the Non-aligned Movement, has expressed opposition to the presence of foreign military facilities elsewhere in the Southeast Asian region. The ASEAN has been pursuing its goal of establishing a Zone of Peace, Freedom and Neutrality (ZOPFAN) in the region.

Malaysia also said it had no intention of hosting the U.S. military installations.

Mrs. Aquino called on the senators, particularly those who oppose the treaty, to promptly pass the bill creating the Bases Conversion Authority and the Malacanang certified revenue enhancement measures because, she said, these would help lessen the difficulties due to the dislocation of workers in the bases and increase government revenues to support the rehabilitation of Central Luzon.

Mrs. Aquino mentioned Republic Act [RA] No. 6735 as the basis for the coming referendum on the bases issue in case the Senate made good its rejection vote today. The 11 pro-bases senators last Friday stressed that they would not make any move to delay the final voting on the issue, acknowledging that rejection was expected.

Under RA No. 6735, 10 or 12 percent of the total registered voters are needed to effect a petition to amend a law or the Constitution and each legislative district should have at least three percent supporting this petition which should be filed with the Commission on Elections [Comelec]. The Comelec will also determine the authenticity of the signatures and publish the petition as required by the act. The time required for all the legalities could allow a referendum only from December 15 and the latest would be on March 1, 1992.

Drilon last Friday said the President was expected to make important announcements, including government's contingency plans, designed to mitigate any repercussions that might arise from the Senate no-vote.

For those directly affected by the Mt. Pinatubo eruptions, Mrs. Aquino said the government was ready to provide emergency or alternative employment for base workers and the allocation of livelihood funds from the President's Social Fund for displaced workers.

She reiterated that the Department of Labor and Employment would ensure that the displaced bases workers "will get first priority in the matter of overseas employment opportunities."

Drilon, however, stressed that the government would continue its policy to promote firendship and cooperation with the United States and other countries even if the treaty were rejected by the Senate.

Mrs. Aquino also stressed that the 12 no-votes in the Senate did not reflect the sentiments of the entire nation hence the necessity of holding a referendum on the issue.

Abadia: No Military Coup If Treaty Rejected

HK1409041491 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Sep 91

[Text] Lisandro Abadia, Philippines Armed Forces chief of staff, made assurances that the military will abide by the Senate's decision on the treaty. Abadia made the assurance to discredit the rumored military plan to launch a coup d'etat if the Senate does not ratify the new treaty. Abadia stressed that they will continue to hold on to their sworn allegiance to protect the country with or without the U.S. military bases in the country. The general is currently looking for alternative means of procuring military equipment to expedite the modernization of the Armed Forces.

Communist Leader—Cease-Fire To End If Bases Stay

HK1409040491 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Sep 91

[Text] The communist rebels threatened to end the two-day unilateral cease-fire they have declared if the government permits the retention of U.S. military bases in the Philippines after the expiration of the old bases agreement on 16 September. This was the reaction of Jose Maria Sison, who is based in the Netherlands and is the founder of the Communist Party of the Philippines, to two senators' proposal which will give an additional three to five years free extension to the U.S. forces.

Sison emphasized in a fax message that the cease-fire declaration will lose its significance if the Aquino government allows the extension of U.S. bases' retention. Sison appealed for a true and complete rejection of the draft treaty and the immediate departure of the U.S. forces in the country.

Congresswoman Demands Manglapus' Resignation

HK1609102091 Quezon City MALAYA in English 15 Sep 91 p 2

[Text] Rep. Loma Verano-Yap (LP. [Liberal Party] Pasay City) yesterday demanded the resignation of Foreign Secretary Raul Manglapus following what she described as "unpardonable foreign policy cataclysm" over the bases treaty.

Defense Secretary Renato de Villa said only President Aquino can give a formal response to the National Democratic Front's [NDF] call for a unilateral ceasefire. "In all of this, the President has the last say," he said.

Yap said the rift between the executive branch and the Senate due to the latter's imminent rejection of the treaty could have been avoided if not for Manglapus' "ineptness and shortsightedness which characterized his performance in the negotiations."

"The foreign secretary should have perceived that something was terribly wrong with the way the Philippine panel was handling the bases negotiations after two panel members suddenly resigned," she said.

Yap was referring to Health Secretary Alfredo Bengzon and acting Tourism Secretary Rafael Alunan III, who resigned allegedly because Manglapus was "bartering national sovereignty for a mess of pottage, sardines, and beans."

The congresswoman indicated that more senators could have voted for the treaty if the Philippine panel headed by Manglapus was able to negotiate for better terms.

"They (the 12 senators who voted for the non-concurrence to the bases treaty) are not anti-bases, they are merely anti-treaty," she said.

Yap said that had not Manglapus procrastinated "to get utmost publicity mileage for himself," a mutually satisfactory agreement could have been reached before the Mt. Pinatubo tragedy struck.

The eruption of Mt. Pinatubo, which destroyed Clark Air Base and affected Subic naval base, "subtantially reduced the Philippines' leverage or bargaining power," she said.

De Villa said Executive Secretary Franklin Drilon told him the government is still studying the NDF ceasefire proposal.

He also said the NDF should offer something more concrete than "mere rhetoric."

The defense chief admitted that the military is "cautious" on the NDF call because its past ceasefire pacts with the rebels had been "problematic."

Rejection 'Might' Move Nation Toward Peace

HK1609095491 Manila PHILIPPINE DAILY INQUIRER in English 14 Sep 91 p 4

[Editorial: "A Peace Dividend"]

[Text] Even if the Senate rejects the new base treaty during the voting set for Monday, it looks as if the doomsayers won't have the satisfaction of seeing their dire predictions fulfilled. On the contrary, the rejection of the treaty might just provide us with some benefits, including a peace dividend that could offset the economic setbacks that the prophets of doom have painted in their grim post-rejection scenarios.

Item: Already, the National Democratic Front has declared a unilateral nationwide ceasefire in the face of what it called "a clear trend" in the Senate to reject the base agreement. The truce could later pave the way for the start of peace talks that would end the 22-year communist insurgency.

Item: The Kilusang Mayo Uno [1 May Movement: KMU] recently said that it would declare a five-year strike moratorium if the base agreement were rejected by the Senate. With the disapproval of the accord, the government and the people will hold the KMU to its promise.

These two developments, together with the reported promise of rebel soldiers led by Gregorio Honasan not to destabilize the government while reconciliation talks are under way, could finally bring peace and political stability to the country. An atmosphere of stability would work wonders on our international image and make the Philippines more attractive to foreign investors, the pullout of the U.S. bases notwithstanding.

Once the threats from the left and the right are removed, the government could also reduce the huge payroll of the Armed Forces of the Philippines and use the savings to begin modernizing the military—something that was not achieved in the close to half a century that the U.S. bases were on Philippine soil. Alternatively, such savings could be channeled to other urgent social and economic projects, like the rehabilitation of areas damaged by Mount Pinatubo's eruption and providing livelihood opportunities to those who were left jobless by the pullout of the bases.

Meanwhile, some senators have put a proposal that is obviously aimed at softening the blow of the treaty's rejection. The proposal would allow U.S. troops to remain in the Philippines three more years instead of just one year—and without having to pay a cent in compensation.

Its proponents obviously want President Aquino to tell the Americans: "Look, we tried our best to have you stay for 10 more years, but the Senate doesn't want this. Just to show you that we want to remain your friend, we will allow you to stay three years without your having to pay us anything. If we must part, let us part as friends, without rancor, without ill feelings, withoug warnings of retaliation." A soft response to the dire warnings made by the U.S. about the consequences of rejecting the treaty could make the latter leave quietly and peacefully, they hope.

How the rebels will react to this new proposal, only they can say. But the peace dividend they have offered is inviting enough to strengthen the Senate's resolve to cast away a flawed agreement. For the first time in 22 years, we may know real peace. No one should squander that opportunity, for when the time comes we can devote all our energies and resources to the solution of pressing economic and social problems.

Antibases Camp Accused of 'Foulest Tactics'

HK1609063391 Manila PHILIPPINE DAILY INQUIRER in English 16 Sep 91 pp 1, 8

[By Nimfa U. Rueda]

[Text] Sen Ernesto Herrera yesterday accused Sen Juan Ponce Enrile of having "deliberately distorted" the nature of the $13.7 million financial assistance to displaced base workers pledged by the U.S. government to discredit him and the pro-bases camp.

"I accuse the anti-treaty camp of having resorted to the cheapest and foulest tactics to picture me, as an exponent of treaty ratification, in the worst possible light," Herrera said in a statement.

He was reacting to a report quoting Enrile as saying Herrera switched sides on the bases issue in exchange for the U.S. pledge to give his favored trade unions a $13.7-million grant.

Herrera had earlier opposed the treaty, saying negotiators had not considered the welfare of the Filipino base workers.

The report also quoted another unnamed senator who cited the Civil Service Code which prohibits public officials from receiving "gifts or emolument from a foreign government" without the consent of Congress.

Stanley Schrager, spokesman of the U.S. embassy, confirmed the pledge but denied the amount was meant to convince Herrera to change his stand on the base treaty.

Herrera admitted the amount was pledged but denied he benefitted from it. He said the amount was a "meaningful concession to the base workers."

"I have not received a single cent and would not think of accepting a single pecuniary benefit for myself," Herrera said.

He added there was "nothing confidential, secret or sinister" about his efforts to obtain for the displaced base workers a "just and fair" settlement from the U.S. government.

Herrera clarified that the $3.7 million was pledged for the livelihood and skills re-training and job placement programs for some 40,000 to 80,000 base workers, who stood to lose their jobs once the U.S. bases are closed down.

He said that only "sound" livelihood projects proposed by the base workers' Federation of Filipino Civilian Employees, an affiliate of the Trade Union Congress of the Philippines (TUCP) will be approved for funding.

Herrera said that with the adverse publicity resulting from Enrile's "baseless remarks," the pledge may be withdrawn.

He clarified that the $10 million was intended for the rehabilitation of provinces damaged by Mount Pinatubo in Central Luzon and a government-to-government endeavor that is contingent on the approval of the treaty.

"This may not be realized at all," Herrera lamented.

Herrera, who is chairman of the TUCP, said the moderate labor federation has been receiving for the past 25 years financial assistance from trade unions in the U.S., Japan and Western Europe.

Herrera said he will hold Enrile and the other unnamed senator "accountable in the proper forum of the Senate."

Schrager, who is scheduled to leave soon as the U.S. embassy's counselor for public affairs, said the $3.7 million was pledged to the TUCP by the American Federation Labor Institute, a U.S.-backed institution. He said this was not linked to the bases issue.

He added that while the remaining $10 million is contingent on the approval of the base treaty, it was not offered in exchange for the vote of Herrera or any other senator.

"There was no such offer," he said.

Meanwhile, Enrile, who had delivered an emotional privilege speech against the base treaty at the Senate last week, proposed yesterday a six-month period for an orderly withdrawal of U.S. troops.

He also asked the government to brace itself for the rejection of the treaty today.

"No more foreign military bases on Filipino soil," Enrile said in his speech before anti-bases advocates attending the National Unity Conference for Sovereignty and Global Peace at the University of the Philippines Faculty Center in Diliman.

"The most we shall allow for is time for the United States to withdraw its forces in an orderly manner from our country," he said.

Aquino Blamed for Leaving Country 'Unprepared'

HK1609070391 Quezon City MALAYA in English 16 Sep 91 pp 1, 7

[By Romy Tangbawan]

[Text] President Aquino should assume the blame if the Americans withdraw abruptly from Subic Naval Base, leaving the country unprepared, Senate Minority Floor Leader Juan Ponce Enrile (NP [Nationalist Party]) said yesterday.

Enrile said he did not want to point a finger to anyone but was compelled to do so since the 12 senators opposed to the bases treaty, which would extend the stay of U.S. troops in the country for 10 years, were being chided for taking such a stand.

He said he was particularly riled when pro-bases senators repeatedly assailed them for their "insensitivity" to the plight of the people in Central Luzon who are expected to be affected by a sudden pullout of U.S. trops from Olongapo City.

Among the pro-bases senators who raised the issue of "insensitiity" were Ernesto Herrera (Ind.) [Independent], Alberto Romulo (LDP [Struggle of the Filipino Democrats]), Jose Lina (LDP), and Neptali Gonzales (LDP).

The 12 solons led by Senate President Jovito Salonga (LP) [Liberal Party] were also the subject of consdemnation in a pro-bases rally led by President Aquino last week.

Enrile said if President Aquino were sincere in her past statements that she was keeping her "options open" on the bases issue, "she should have prepared aleady the measures to cushion the impact of an American pullout."

"I suspect that all along they had in mind to extend the stay of the Americans here and so they did not prepare. That is why the President had to go under the rain like Gene Kelly and come here (in the Senate) to tell us to be more compassionate kuno [it is said]" he said.

Defending the anti-treaty stand, Enrile said the removal of U.S. bases in the country would usher in a "mutual relationship, no longer burdened by the bases issue," the same relationship that Sen. Wigberto Tanada (Ind.) had pushed for in proposing a Treaty of Friendship, Commerce and Amity.

"All treaties with them will remain, except the bases," Enrile said.

He rejected President Aquino's stand that the new treaty is beneficial to the country.

Enrile cited the provision of the PL [Public Law] 480, in which the U.S. will give the Philippines $30 million in food aid, which he said "actually has a harmful effect to us."

This observation, he said, was made by Richard Fischer Jr., a policy analyst of the Washington-based Asian Studies Center.

In a paper Fischer said Third World beneficiaries of a food aid suffer in the long run because the dumping of cheap U.S. food surpluses in their markets dampens the prices of local agricultural produce. In the long run, it triggers food supply shortages as local producers are discouraged from planting, thus resulting in inflated food prices.

Enrile also cited Fischer's analysis as saying "much of the blame for the economic stagnation (in the Philippines) was (President) Aquino's."

"She failed to overcome the system of political patronage that led to the overthrow of her predecessor," the paper said.

According to Enrile, Fischer's observation was a "telling indictment of the Aquino administration."

'People Power' Sought To Initiate Referendum

HK1609014691 Quezon City Radyo ng Bayan in Tagalog 1350 GMT 15 Sep 91

[Speech by Philippines President Corazon Aquino; place and date not given; in English—recorded]

[Text] In a matter of hours, the Senate will vote on our Treaty of Friendship, Cooperation, and Security with the United States. Under our Constitution, 16 senators, or two thirds of the Senate, must vote to ratify the treaty. Thus, the negative votes of only eight senators could reject it.

I have been personally leading the campaign for ratification because, more than the written commitments of parties, is the strong bond of friendship between nations. More than the hurts from an unequal relationship of the past is a firm basis for cooperation in promoting the development of the Filipino people. More than the dollars and cents of a pure a simple military basing agreement, is the strategic alliance to defend our shared faith in democracy.

I have appealed to the senators singly and in groups. The vice president, the speaker of the house of representatives, and the preponderant majority of congressmen, governors and mayors, including leaders of the opposition, have joined me in that appeal. People's organizations representing all the important sectors of Philippine society have added their own voice in support of ratification. And ordinary citizens from all walks of life in the tens of thousands have marched with me even in pouring rain to make their preference clear before our senators.

May I ask my countrymen to join me in prayer that our senators vote not only in the exercise of their prerogative, but above all, in support of our national interest. Fundamental to our democracy is respect for the Senate's prerogrative. But even more basic is the right of our people to participate in decision-making on matters of great national importance.

In the likely event of less than 16 senators voting for the ratification of the treaty, I propose we take the issue directly to the people. Our Constitution clearly provides for a system under which people power can directly pass upon any act of any legislative body. Republic Act 6735 enacted in 1989, specifically provides for a system of people's initiative and referendum. It calls for 10 percent of the voters, or approximately 3 million Filipinos nationwide, to sign the initiating petition. Once again, people power is being called upon to break a possible stalemate, where the exercise of a prerogative may not be reflective of the people's will.

As in 1986, we now seek the direct expression of the sovereign will of the Filipino people. Now, as in the past, everyone of us must participate in an exercise that gives added substance to the democracy we have reestablished. After all is said and done, we are here only because of the people. So I say, let the people be heard. Let the people decide.

Aquino Explains Bases Referendum Option

HK1609100391 Quezon City Radyo ng Bayan in Tagalog 1300 GMT 15 Sep 91

[From the "Ask the President" program with hosts Frankie Batacan and Roger Lagasca, Philippines President Corazon Aquino, and guests Executive Secretary Franklin Drilon and Cabinet Secretary Chito Sobrepena—live; italicized passages in English]

[Excerpt] [Aquino] Good evening to you my beloved countrymen. Tonight, our guests are first of all Executive Secretary Franklin Drilon. Good evening to you Frank.

[Drilon] Good evening.

[Aquino] We also have Cabinet Secretary Chito Sobrepena, the chief of the Presidential Management Services. Good evening to you, Chito.

[Sobrepena] Good evening.

[Aquino] With us tonight also are Frankie Batacan and Roger Lagasca. Good evening to both of you, Frankie and Roger.

[Lagasca and Batacan] Good evening.

[Aquino] We already know that our senators are going to vote on our Treaty of Friendship, Cooperation, and Security tomorrow. We also know that there is no more hope that this treaty will be ratified. This is why I deemed it best for us to meet now and tell our people what they can expect the government to do inasmuch as we are already sure that the senators will reject this Treaty of Friendship, Cooperation, and Security. I would like to call on Secretary Drilon first of all, to explain to our listeners about our so-called *initiative and referendum, under Republic Act 6735.*

[Drilon] In our law, we have the so-called initiative and referendum act. This law implements the provision in our Constitution which states that the people should be given the chance to let the government know their opinions pertaining to issues concerning our country. *Under the law, Mrs. President, the people are allowed to directly amend, repeal, or propose legislation, or repeal any act of Congress. Or, under the law,* we can also have the so-called initiative on the Constitution. This means the people can propose amendments to the Constitution. This is a new law signed in 1989, but, in other countries, this is already being utilized. And here we have a system whereby if 10 percent of the electorate petition the Commission on Elections [Comelec] to hold a referendum, or initiative on the Constitution, the law can be altered or replaced by another law *after an election that will be called by the Comelec.* So this means, Mrs. President, there should be 10 percent of our registered voters. If we have 30 million registered voters, *10 percent of that, or three million, can petition the Comelec to* amend or repeal a law or an act of Congress. If the people want to amend the Constitution, there should be 12 percent signatures in a petition calling for the amendment of our Constitution.

After the petition has been forwarded to Comelec, the Comelec will call for a referendum or election, in order to know the decision of the entire registered voters on the proposition presented by the 10 percent of our people. *If in a plebiscite or in a referendum, the people would—the majority of the registered voters would reject the proposition—then whatever is the law that is set to be amended will remain valid.* But if the majority will say that they agree with the proposition to repeal a law, or to reverse an act of Congress, the law will be repealed or the act of Congress will be reversed. This is what we call direct democracy. This means that the people themselves will tell our representatives that they did not like what they did on one law, that they like to amend our Constitution, and *it is through this Republic Act 6735* that this can be done, in a manner through which the people can participate directly in resolving these questions.

[Batacan] Mr. Secretary, some of the senators are saying that they have become the representatives of the people and that in their rejection of the ratification of the Republic of the Philippines-U.S. Treaty, they are representing the voice of the people.

[Aquino] I will answer that. When there was a deliberation at the Constitutional Commission, Fr. Bernas said that it is true, *we elect our representatives, but at the same time, we always... [changes thought] the people always retain the right to review the decisions of the representatives.* This is what is good here because, in my view, this government *was installed because of people power, that is recognized in the Constitution.* And the people are being given importance. This is good because there are times when the people are not always in agreement with a particular law, or on a resolution. Now, this gives them the means, a peaceful means, to let Congress know that they do not favor this thing. Now, a while ago, Secretary Drilon was saying that 10 percent is needed to file a petition. *But aside from that, every legislative district should have a minimum of three percent.* This is nice because everyone will really have the chance to inform the country, not only the government, about what they want to convey.

[Lagasca] Another thing Mrs. President, if we will elect, will implement a referendum, that would be additional expense and we do not have any funds.

[Aquino] That is true. And in fact, that has been mentioned to me by a congresswoman. And I have said this to some senators *that are for the bases.* In fact, I was talking to Senator Bert Romulo. You know he was the former minister of the budget and management before he became senator. He told me, we are saying and that is what is contained in our Constitution, *sovereignty resides* *in the people and all government authority emanates from them.* Now let us see. If there are not three million *who will want this referendum,* then nothing will happen. If they are the ones telling us that: We like that and we know that it will incur expense, *but in spite of that, they would still sign that petition,* then, maybe we should abide by the will of the people.

[Sobrepena] The important thing about this Mrs. President, is for us to know the sentiments of our people. *And really, Mrs. President, we cannot put a price tag on this exercise because this is so critical. It will affect the generations to come which is an important question that I think is worth the expense. We realize that... [changes thought] the presidency realizes that* our revenue is scarce right now. But this will not only affect us today, but also our children and our future. So in our view, as said by President Aquino, if there are three million people who would like to hold a referendum, *I think it is worth the expense to find out how the people feel about this.*

[Lagasca] It means, Mrs. President, that the rejection by the Senate tomorrow [16 September] does not yet mean the end of this agreement because, under the law which gives the opportunity and power to the people to conduct a referendum, it is still possible that the voice of the majority of the people will prevail. Yet, under our Constitution, it is clearly specified that it is only after five years following the ratification of the 1987 Consitution that we can amend the Constitution. What will happen to the Americans between 17 September and February 1992, which is the earliest after the five years.

[Drilon] First of all, on the two modes I explained yesterday, two things can be done under [Republic Act] 6735. First, what we call the referendum which... [changes thoughts] the subject matter of the referendum are the laws, resolutions, and acts of Congress. And the second is the initiative on our Congress... [changes thought] or Constitution, meaning, the amendments to be proposed. The second mode cannot be done earlier than 2 February 1992 because it should first be in effect for five years *from the time we ratified the Constitution in 1987.* The first one which is a referendum on the statute guide, may be done now—to ask the people about the laws that they would like enforced or laws they want to remove from our system. *So, the provision on the five years applies only if we would like to pursue a constitutional amendment.*

[Batacan] Now, suppose the people themselves ratify, or decide to alter or reverse the decision of the Senate, can the government implement this?

[Aquino] This is why we need to study very well how to construct the question which we will present to the people to vote upon, because we do not want to violate the Constitution. And I would also like to consult our other colleagues to know from them what question would be good to present to our people.

[Batacan] If that is really rejected by our senators, and if in the referendum, the majority rejects it also, what alternatives does the government have so as to ensure a smooth withdrawal of the Americans?

[Aquino] Are you asking if it will also be rejected in the referendum?

[Batacan] Yes.

[Aquino] Nothing more. If it is rejected in the referendum, it means that the Philippine people are in favor of the rejection by our 12 senators.

[Batacan] In their rejection, Mrs. President, what timeframe are we going to give the Americans to leave our country.

[Drilon] This will have to be discussed if they will have to leave. This will be discussed by a committee which will be established by the Governments of the Philippines and the United States. And there, the orderly withdrawal of the military bases will be discussed. That is, if we can no longer do anything. If the Senate has rejected it and if President Aquino has decided to hold a referendum and a referendum was held but the people also rejected it, then the orderly withdrawal will have to be discussed. There is no specification in the agreements as to how long this would take. But the withdrawal should start once the people say that...

[Aquino, interrupting] ...they concur with the action of the 12 senators.

[Batacan] Senator Rene Saguisag proposed a resolution in the Senate which provides for a three-phase, three-year withdrawal period. What is your view about that Mrs. President?

[Aquino] This is what I discussed with the pro-bases senators because I also want to hear their position with regards to the proposal by Senator Saguisag. And when we met, they told me that it is difficult for them to concur with that proposal because that was not clear—the rent-free withdrawal of three years. It was not clear. What will be the basis. Will we just tell them to withdraw and they are given three years? Since they are in favor of the Treaty of Friendship, Cooperation and Security, it seems that these two things cannot be merged together. So we deemed it best to just call for an initiative and referendum, under the Republic Act 6735.

[Batacan] When is the earliest time for this to be carried out.

[Aquino] We are thinking, maybe December because first of all we should be able to obtain the three-million signatures and when Comelec receives this, of course they will investigate if the signatories are legitimate—if they are really registered voters. Afterwards, they will publicize that and within...

[Drilon, interrupting] ...within [changes thought] after that, the referendum cannot be called earlier than 45 days and not later than...

[Aquino, interrupting] ...ninety days.

[Drilon] Ninety days. So if we count the number of days needed, it would be December, *at the very least.* That is if no citizen or senator contests this question in the Supreme Court. We know that this is one question that will reach the Supreme Court and we are preparing. If President Aquino decides to call for the referendum, we know that this will reach the Supreme Court. And our only hope is that the Supreme Court will decide on this question as soon as possible, so that we would have a definite answer to our people; if they really like the bases to be retained here, for how long, and if they like to enact the treaty they forwarded in Congress and in the Senate. So, our calculation would be, the referendum will be held in December.

[Aquino] What we will do is present our petition to the Comelec *within a period of 30 days from receipt of the petition, the commission, first of all, will determine the sufficiency of the position, and then, they will publish the same, in Pilipino and English, in at least two newspapers in general circulation. And set the date of the initiative of referendum, which, as Secretary Drilon said, will not be earlier than 45 days, but not later than 90 days from the determination by the commission of the sufficiency of the petition.* So let's say if we start... [changes thought] let's say we can get three million signatures by 1 October, then we will forward that to the commission. And within 30 days, the commission will decide whether there is sufficiency of the petition. That will be 1 November. Afterwards, that will be published in newspapers again. *And then after that, not earlier than 45 days.* Let's assume 45 days, that would be 16 December; but not later than 90 days. If the Comelec provides for 91 days, from 1 December, January, February, 3 March. *So you could say the earliest would be 15 December and the latest would be 1 March.*

[Batacan] Mrs. Aquino, while waiting for these steps to be undertaken by the government in relation to the conduct of a referendum or the initiative of the people to decide or repeal the laws passed by Congress, what are the alternatives of government, because the people cannot see the alternatives of these opposing senators. On the side of the government, what are the alternative preparations being undertaken, especially for the base dependent communities.

[Aquino] That's it. Ever since, I've been asking our senators what are the alternatives they can present? And I know that the people will rely on the national government. Which is why I told Secretary Drilon, to study the matter so we can already present our alternative actions, so that our people, true, it will be difficult for us, because we are hoping that the stay of the U.S. facilities in Subic Base will help us. *However, if the 12 senators as we expect, will reject the treaty, we are prepared also to at least, make it less difficult for our people.* First of all, about the issue we are talking about often, *the reconstruction and rehabilitation of Central Luzon* because of this continuing hardships due to Mt. Pinatubo; what we did was since August, Secretary Estanislao from the department of finance has already presented to Japan's Overseas Economic Cooperation Fund [OECF] our request for a $200 million commodity loan which we can use to help our brethren who have been devastated by the Mt. Pinatubo eruption. Now, it's good that the president of OECF has visited here and I asked him what are the chances for this, our request. He told me that this month of September, they will send a mission. I think that is a standard operating procedure. If one makes a request, of course, they will inspect these things that need to be funded by the assistance they will offer. And they will arrive. Now, in my earnestness, especially in my desire to help our people, I said, I myself will be the one to go with that mission and I also want to expedite their inspection so they can help us as soon as possible. It is not only Japan that we expect to help us. We are also expecting other countries which have not yet helped us in the Multilateral Aid Iinitiative-Philippine Aid Plan to give us help for Mt. Pinatubo.

Now, on those directly affected in Subic Naval Base, what we will do is *provide emergency, or alternative employment for these workers.* Foremost, I have said this already to the Department of Labor, *they will get first priority in the matter of overseas employment opportunities.* Secondly, we will allocate livelihood funds from the president's social fund for displaced workers. *And we will also allocate provisions for displaced base workers.* These are the things we will do and the department of trade and industry, department of labor and employment, PLIC [expansion unknown], and Livecor [expansion unknown] will spearhead the granting of livelihood opportunities to the displaced workers.

[Lagasca] What will be the effect of the Senate's action rejecting the treaty on our international community?

[Aquino] You know, almost all of our ambassadors abroad *have said well they appealed to the senators, because they are there in different countries,* and perhaps they've been told they hope that the treaty will be ratified. However, our ambassadors will still continue to seek help not only in relation to Mt Pinatubo but also our trade in that our trade with all of the other countries should not be derailed. I am hoping, and this is my appeal—do not hate the Philippines. I am doing everything I can in order to finally ratify this agreement. I hope that all those who can help us continue their relationship with us, especially our trade relationship. I hope this will not be reduced so that our people do not undergo adverse difficulties. I am thinking that it would have been a lot easier if this treaty were ratified. I could then easily appeal for additional trade so that we can help our countrymen even more. Nevertheless, this is what I will call for. I am helping wholeheartedly. I am doing everything I can. So, I hope we and the rest of the people who really need jobs to live and send their children to school, be spared of whatever anger they have for our 12 senators.

[Batacan] Mrs. President, this early, the garment industry is already in anguish because next month they are scheduled to meet with their clients in the United States and Europe, but more particularly with America. What would be the position of the garment manufacturers?

[Aquino] Like I said. I have done everything that could be done and we are still looking at a solution—the initiative and referendum. It would be nice if the other parties do not persecute our country, otherwise the senators who rejected the treaty would say: See? They are not worthy of being our friends. So, I will present this. Okay, *maybe there were 12 senators who rejected the treaty and who probably caused you to be angry with them*, but they should not be angry at the entire Philippines, especially not our people who really are striving hard to give their families good lives. Those in the garment industry are of course earning profits but what I want is this to increase, especially the garment industry in the areas affected by the Mt Pinatubo eruption because *it will be able to generate a lot of employment because it is so labor-intensive*. Secretary Drilon did not only study this matter—those affected in Central Luzon—but he studied all aspects with respect to the difficulties we may face, which I hope will not happen. But if anything, we should be prepared. Frank, maybe, you can tell them our plans, especially the cooperation we are going to ask from our congressmen and senators.

[Drilon] Mrs. President, what is important here is that if our 12 senators reject the treaty, what we should show our foreign friends is that our friendship continues. It should not mean that if our 12 senators reject the treaty that they should be our enemies. In all the surveys, our people want our Senate to ratify this treaty. This is what we should show the other countries—that we are still their friends. We need what we call goodwill. President Aquino was earlier saying that the garment industry quota should not be reduced because *no matter how you look at it Mrs. President*, goodwill is really needed by the developing countries. This is why we need help. We have programs which when our senators reject the treaty tomorrow, we already have letters, one of our plans is to explain to our foreign friends what happened, so that *we can maintain the goodwill of these other countries*. And Mrs. President, included in our plans is to explain to the various sectors, because other sectors may interpret the Senate's action the other way and we should have ways, peaceful ways, for our people by which *to express their sentiments through a plebiscite or an initiative or a referendum*. This is important. We have prepared this communication effort to explain to various sectors, the military, and the workers. We will do all of these to reduce the expected difficulties brought about by the rejection of the treaty.

[Aquino] What I will do is to write not only to President Bush but also to other heads of state whom I have met and have been helping us, specially to Prime Minister Kaifu. I will also write him, first of all to thank him for all the help he has given us, and to explain what really transpired here. Now, the 11 senators who are for the bases, I will request them to write to the American senators to explain what they have done. Because, let us not allow the people to regard the 12 senators as the only Filipinos. Other countries should know that, first of all myself, I do want this treaty ratified and the majority of our people want the same thing. So, I hope that these people who really want the treaty ratified are not subjected to more hardship.

[Batacan] One more thing ma'am. Maybe it is important that the Senate or the Congress should approve the two bills which are now pending there. First is the Bases Conversion Authority, which will create a body or an authority who will manage the transition and conversion of the naval base and Clark Air Base for commercial use.

[Aquino] And to generate funds. Because, recently, we filed a proposal to have a memorial park project which will generate a really large amount of money to use for the Bases Conversion Authority. Now, the Bases Conversion Authority Bill has to be passed first and then I will sign it into law, so that the leaders of the Bases Conversion Authority will be granted authority to be able to sell the memorial park lots. We cannot sell if the buyers are afraid of having their purchases questioned and brought to the Supreme Court. So, my appeal to the senators who rejected this treaty is to help at least in passing this Bases Conversion Authority Bill so that we can start with what we ought to do and so as not to aggravate the hardship of our people.

[Batacan] The other night, I heard one senator say that we have a plan to have a leaner bureaucracy, but now it seems that we are creating a new office. What is your reaction to this Mrs. President? This seems to stand against all your plans.

[Aquino] Okay. We want a leaner bureaucracy. But they should also think about where can these government employees go? Many from Central Luzon have lost their jobs and of course, if they have relatives working in the government, they would expect they can help them go through the crisis brought about by the Mt Pinatubo eruption. What I am expecting from our senators who are rejecting this treaty is to think of alternatives and to support the things we are presenting them.

[Batacan] One more thing Mrs. President is a proposed bill which up to now has not been acted upon—the revenue enhancement measure. If this treaty is rejected, there will surely be dislocation and many will need help. One of our plans is emergency employment and we need a revenue enhancement measure to give our government additional money to speed up the rehabilitation of Central Luzon and take care of those displaced in Subic Naval Base.

[Aquino] Not only in Central Luzon because we have foreign assisted projects. We lack our peso counterpart. So, the Congress must pass these revenue enhancement measures. But what they want is for the national government to get loans from the local bank again, which will push up interest again and cause further hardship for the people. So, my appeal to the senators, particularly those who rejected the treaty, is to do something to help not only the government but our people. Secretary Sobrepena and other committee members will see how we can help our people who will be affected by the treaty rejection. Chito, can you please explain to our listeners what we still have to do.

[Batacan] Mrs. President, before Secretary Sobrepena discusses these plans, there was an assessment that with the continued flow of lahar from Mount Pinatubo to the plains, a wide area has been affected by the lahar and if this is not checked, more people will be victimized. Now, on the average of 10 pesos per displaced individual in the area of Pampanga, Tarlac, and Nueva Ecija, and this is still continuing—71 million cubic meters of lahar is still expected to flow down—at a rate of 10 pesos per individual, how can the government fund 10 million per day rationing of food to these destitute people?

[Aquino] This was what we discussed in the Cabinet meeting. And one of the proposals is to find other resettlement areas outside Central Luzon because it will really take some time before our countrymen can plant again due to the continuous lahar. So, this is what we will do, since there are governors in other provinces who volunteered to let the farmers in Central Luzon who lost their farmlands use some government lands in their respective provinces. [passage omitted]

Senators: Rejection Equals Communist Victory

HK1609053591 Quezon City MALAYA in English 16 Sep 91 pp 1, 7

[By Cris Larano and Noel Bartolome]

[Text] Failing to muster enough support for the military bases tracty, pro-bases advocates led by Senators Ernesto Herrera (Ind.) [Independent] and John Osmena (Ind.) have raised the "red scare," warning of a communist victory should the treaty be rejected.

Repeating the warning he made during a speech at the Senate the other day, Herrera said the rejection of the treaty "has revived the flagging morale of the National Democratic Front." [NDF]

"Are we to assume that the rejection of this treaty, which the NDF is rewarding with a unilateral ceasefire, is the first step towards a power sharing arrangement between the Philippine government and the NDF?" he asked.

Osmena also accused the "communists," (referring to anti-bases senators), of "muddling" the bases issue by proposing a three-year withdrawal period for U.S. forces that will follow a "non-concurrence" of the treaty.

Earlier, Gen. Lisandro Abadia, AFP [Armed Forces of the Philippines] chief of staff, accused the 12 senators opposed to the treaty of "toeing the NDF line."

Anti-treaty senators laughed off the warnings as a "paranoid reaction."

The AFP and the Philippine National Police (PNP) also dismissed the NDF unilateral ceasefire declaration as another "communist propaganda ploy to rebuild their waning influence in the country."

But Sen. Rene Saguisag (LP) [Liberal Party] said the removal of U.S. troops in the country, coupled with reforms, could in fact lead to an end to the 22-year communist-led insurgency problem.

Sen. Wigberto Tanada (Ind.), who sponsored the resolution calling for the rejection of the treaty, said his colleagues and the AFP leadership should instead view the NDF ceasefire call as a positive step toward a "peaceful resolution of armed conflict."

Even Sen. Juan Ponce Enrile (NP) [Nacionalista Party] an anti-communist and former defense minister, took the NDF ceasefire call as "an opportunity to work out non-violent solution to the insurgency problem."

Enrile, who is eyeing the presidency in 1992, vowed to offer a general amnesty to all rebels if he is elected president.

Still, General Abadia and PNP Director General Cesar Nazareno warned that the rebels are not sincere in their truce offer as the officials cited NPA [New People's Army] violations of previous ceasefire agreements.

Defense Secretary Renato de Villa also overruled any suspension of counter-insurgency operations as government troops intensified the rebel campaign in Northern and Southern Luzon.

De Villa said the government must study carefully the consequence of entering into another truce following the failure of the 1986 ceasefire agreement.

Nazareno also dared the rebels to lay down their arms to prove their sincerity in achieving lasting peace in the country.

But NDF leaders said doing so would allow the military to slaughter them without giving them any resistance.

Luis Jalandoni, NDF vice chairperson for international affairs, yesterday said De Villa's negative reaction to the NDF's unilateral declaration of ceasefire and his decision to continue AFP military operations in Marag Valley is "totally devoid of human feeling" for the victims of AFP's total war policy.

Earlier reports said at least 117 children have died during military operations in Marag Valley since October last year.

The Human Rights Commission and Executive Secretary Frankin Drilon have recommended prosecution of military personnel for rape and other atrocities allegedly committed against civilians in Marag Valley.

Jalandoni said the decision to continue operation in Marag Valley sabotages multisectoral efforts to promote "a just and lasting peace, both in the Philippines and in the international community."

He said the NPA units "are well within their right to defend themselves whenever and wherever they are attacked" by government forces.

Editorial Supports Rejection of Bases Treaty

HK1609072091 Manila PHILIPPINE DAILY INQUIRER in English 16 Sep 91 p 12

[Editorial: "The Moment of Truth"]

[Text] The 1947 Military Bases Agreement [MBA] ends today, a date that presents a turning point for Philippine-American relations. As the last major treaty between the two countries, the MBA has become the symbol and core of the whole range of experience between the Philippines and the United States since we gained independence 45 years ago, through "three government systems, four Constitutions, two Marxist insurgencies, a Muslim rebellion, economic upheaval and uncounted political murders," as an American writer once put it.

Much has been written and said about this relationship, which actually began almost a hundred years ago. But as we Filipinos prepare to meet the 21st century, we should face up to some hard decisions based on two questions: Did U.S. domination of the Philippines, militarily, politically, economically and culturally, do us much good? Do we want to live in the future under the same conditions?

The answers are clearly no. No amount of argument could change the fact that we have depended too much on the U.S. and that the U.S. through its military bases here, exploited the situation. It is time to cut away Mother America's umbilical cord. The U.S. military presence must end. There should be no extension of the bases lease.

Today, the Senate is scheduled to vote on a treaty that seeks to extend this relationship through the continued use by U.S. forces of Subic Naval Base. Eleven senators are expected to vote for its ratification—Leticia Shahani, Neptali Gonzales, John Osmena, Alberto Romulo, Ernesto Herrera, Santanina Rasul, Edgardo Angara, Heherson Alvarez, Mamintal Tamano, Vicente Paterno and Jose Lina Jr. This bloc believes, as does the United States, that the treaty was the best both countries could come up with. This bloc believes, as does President Aquino, that this is not the time to dismantle the bases, that despite all that has been said against them, we need them, especially now, in the face of the destruction wrought by Mount Pinatubo on Central Luzon.

The defeat of the treaty, however, is now held certain. Twelve senators have gone on record as being against the treaty—Wigberto Tanada, Agapito Aquino, Rene Saguisag, Joseph Estrada, Jovito Salonga, Ernesto Maceda, Aquilino Pimentel Jr., Vitor Ziga, Sotero Laurel, Teofisto Guingona Jr., Orlando Mercado and Juan Ponce Enrile. As we went to the press last night, there was no indication that their ranks had been reduced, despite the President's last- minute appeals.

The "antis," as the 12 are being called, have remained steadfast, even in the face of a determined lobby launched against them by the administraiton which has poised the threat that it will campaign against their reelection bids. To them and to many enlightened Filipinos, the treaty is grossly unfair to the Philippines—more of an instrument of surrender and a collection of promises than an honorable agreement between two equal, sovereign nations.

The issue has split the chamber, as sharply as it has divided the nation; some senators have been heard wishing aloud that a confrontation could be avoided. "I wish I could say let this cup pass from me," said one of them on the eve of the vote. But share the cup they must.

By voting them into office, the people entrusted a solemn responsibility to the members of the Senate to decide for them, especially on such important issues as the bases. They should not shirk it by throwing the issue back to the people for decision in a referendum.

Reaction to Bases Treaty Rejection Reported

Pro-Bases Advocates Mobilized

HK1609094691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 16 Sep 91

[Text] President Aquino has mobilized pro-bases advocates for the implementation of a referendum. Here is Dick Sinchongco, DZRH Unit 6 in Malacanang with the details:

[Begin recording] President Cory Aquino has instructed Executive Secretary Franklin Drilon to prepare the necessary measures needed for the holding of a referendum on the bases treaty, following the Philippine Senate's rejection of the agreement. The president said she has asked Drilon to meet with pro-bases advocates to put in place the mechanisms for the referendum option as stipulated by Republic Act 6735. Malacanang has decided to ask the people to endorse the decision on the ratification of the treaty giving the U.S. forces a 10-year extension in the country. Today, the 1947 Republic of the Philippines-U.S. Military Bases Agreement expires. With a vote of 12 to 11, the upper chamber of Congress threw away the Treaty on Friendship, Cooperation, and Security. The referendum aimed to amend provisions of the Constitution like the U.S. bases issue set forth in Republic Act 6735 through a required percentage of the total registered voters in the country. [end recording]

Aquino Urges Bush To Continue Aid

HK1609014291 Manila Far East Broadcasting Company in Tagalog 0100 GMT 16 Sep 91

[Text] President Aquino has appealed to U.S. President George Bush not to condemn the entire Philippines for the Senate's rejection of the military bases treaty.

According to President Aquino, she will explain to President Bush that she will not rest until the treaty is approved. The president also said she will discuss in a letter to Bush the possibility of holding a referendum on the agreement. Mrs. Aquino will request President Bush push through with the assistance to the country despite the negative decision by the Senate regarding the military bases extension.

Enrile Proposes 6-Month Withdrawal

HK1609021991 Manila Far East Broadcasting Company in Tagalog 0100 GMT 16 Sep 91

[Text] Senator Juan Ponce Enrile proposed a six-month orderly and systematic dismantling of the U.S. forces in the country. According to Enrile, the six-month period is sufficient for the United States to dismantle all its facilities in the Philippines. Enrile added that during the pullout period, the government should devote some time to think of alternative plans for the military bases which are to be vacated by the United States.

Meanwhile, Senator Lina is heading the government plan to solicit 3 million signatures for the holding of a referendum on the military bases agreement. Lina will present the 3 million signatures to the Commission on Elections to pressure it to call for a national referendum on the military bases issue. Lina believes that the sentiment of the majority of the Senate to reject the military bases agreement is not the voice of the people.

In related news, Senator Neptali Gonzales said President Aquino is facing a big political embarrassment. According to Gonzales, the defeat of the agreement on the retention of the military bases in the Senate is an indirect manifestation of the weakness of the Aquino government. Gonzales said the defeat of the military bases agreement has a strong effect on President Aquino's leadership. On the other hand, observers in Malacanang said President Aquino made a mistake when she wooed each senator to support the ratification of the treaty. According to the observers, instead of benefiting her, it harmed her position because it was considered putting pressure on the senators.

House Speaker: 'Fight' Not Over

HK1609135091 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1300 GMT 16 Sep 91

[Text] Even if the antibases senators are declaring that the fight is over, House Speaker Mitra says the fight is not over. This is Mitra's reaction to the result of the Senate vote a while ago. Mitra stated they will push through with the referendum. According to Mitra, the antibases senators will not bar the people's participation through the referendum they plan to hold.

Speaker Mitra also reminded the senators that while they in the lower house are pro-treaty, two years ago they passed the proposed bill on the military bases conversion plan, while the antibases senators who strongly opposed the bases treaty have not acted on any bill despite their being proponents of the bases' removal. Mitra said the senators have not made any preparation, not even one bill.

Mercado, Angara React to Vote

HK1609131491 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1244 GMT 16 Sep 91

[Interview with Philippine Senators Mercado and Angara after Senate's rejection of the bases treaty—live, italicized passages in English]

[Text] [Reporter] Senator Mercado, we are live on DZMM. Sir, what does this decision mean? Can we say that the people's inititiative will still push through?

[Mercado] *Well, there are legal problems but we have to properly pace down the line. As far as this treaty is concerned, it is dead already. I think that what we should look forward to now is how to fend for the nation, the wounds of the nation, and try to find ways by which we can soften the negative impact on our countrymen in Central Luzon. I think one way is [words indistinct] hoping that we can have a three year phaseout without charging the Americans.*

[Reporter] That was Senator Mercado. Now here is Senator Angara. What does this mean to you? It looks as though the pro-bases senators have been delivered a technical knockout?

[Angara] I don't think so. We should not look at it as somebody winning or losing. What won here is the Filipino nation. No one here can say that you or I am wrong. This decision could be in the interests of the entire Filipino nation.

[Reporter] The proposal that this will be submitted to the public through a plebiscite—the proposal by Malacanang...

[Angara, interrupting] ...That may be a good way through which we will know the sentiment of the nation and there is one constitutional principle that, if the government's political departments are not in agreement on an interpretation of something important to the country, the ultimate judge of this is the people. So, when we have heard the verdict of the whole nation, that is the only time we can say that this action is for the interests of the nation.

Labor Chairman Praises Rejection

HK1609135291 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1310 GMT 16 Sep 91

[Text] In relation to the Senate's rejection of the bases treaty, here is a reaction by Mr. Crispin Beltran of the 1 May Movement:

[Begin recording] This can be considered a victory for the nation in its battle for genuine sovereignty without sacrificing the Philippines' friendship with the people of the United States. This can be considered a milestone in our historic struggle for genuine independence. Second, I thank and salute the many Filipinos who have taken a firm stand in order to remove the military bases in the country for various reasons, foremost of which is to experience the taste of real independence, especially since we will soon have our centennial celebration of our independence. And it will have a sweeter and more realistic meaning if the vestiges of colonialism in the country are no longer here and I am referring to the military bases. [end recording]

Reasons for Rejection Assessed

HK1609062691 Manila PHILIPPINES NEWSDAY in English 16 Sep 91 p 10

["Turn of Events" column by Francisco Tatad: "Should the U.S. invoke Ramos-Rusk"]

[Text] Today, September 16, 1991, the 1947 Military Bases Agreement between the Philippines and the United States expires.

If the Constitution is obeyed, one minute after midnight, no U.S. facilities or troops should remain on Philippine soil, except under a new treaty duly concurred in by the Senate.

As the proposed treaty is expected to be rejected by the Senate on final reading today, the U.S. forces should all be out by tomorrow, at the break of day. U.S. military withdrawal should be completed by then, not simply started as will happen now—*if President Aquino can enforce the Constitution even halfway, or if the U.S. agrees to withdraw.*

These are two ifs we use deliberately. First, because it is quite certain that President Aquino cannot comply with her constitutional duty to remove the American forces by tomorrow; and second, because it is not at all certain that the U.S. may want to go.

On the eve of the expiration of the agreement and the rejection of the proposed treaty, Senator Rene Saguisag has proposed that the Congress authorize the President to negotiate an executive agreement that would give the U.S. forces three years to withdraw.

This looks like an eminently reasonably proposal, calculated to slow down the otherwise abrupt U.S. withdrawal and cushion its impact on the economy. But it has no constitutional leg to stand on, and that is a fatal infirmity.

The Constitution is clear. *After the expiration in 1991 of the Agreement between the Republic of the Philippiens and the United States of America concerning Military Bases, foreign military bases, troops, or facilities shall not be allowed in the Philippines except under a treaty duly concurred in by the Senate and, when Congress so requires, ratified by a majority of the votes cast by the people in a national referendum held for that purpose...*

Now, either the agreement expires or does not expire today. The provision just quoted says it does, so the state is commanded to make sure that effective tomorrow there should be no foreign military facilities and troops in the country not covered by a treaty. The Constitution does not envisage the President entering into an executive agreement, as is now being proposed under the guise of "orderly withdrawal," to circumvent the strict requirements of a treaty.

The more important question though is whether the U.S. forces will leave or stay.

This problem is real because although the Constitution assumes tht the 1947 agreement expires "in 1991," the actual agreement, as contained in the 1966 exchange of notes between Foreign Secretary Narciso Ramos and U.S. Secretary of State Dean Rusk, says that either party may serve notice of termination only after September 16, 1991, to take effect one year thereafter.

The Aquino regime must by now admit that the appointive commission that drafted the constitutional provision on the bases did not consult the Ramos-Rusk agreement before writing 1991 as the expiration date of the agreement; they simply reproduced it from hearsay. But the error is now a sacred article of the Constitution, and the regime can no longer say the agreement expires after September 16, 1992.

In the beginning, the U.S. chose not to invoke the Ramos-Rusk agreement because Ambassador Nicholas Platt during whose tour of duty the ill-fated draft treaty was negotiated, was reportedly convinced, on assurances from Malacanang, that a new treaty would be in place before September 16th. Despite the notice of termination served to Foreign Secretary Raul Manglapus on Mr. Richard Armitage, the U.S. found no need to insist on the correct expiration date, which is not 1991 but 1992.

But now that everything has turned out to be a colossal miscalculation on the part of the U.S. Embassy, Washington may be tempted to finally invoke the Ramos-Rusk agreement. In fact, one official on Capitol Hill says it would do so. The U.S. may have no other card to play.

We were, to our mind, the first to suggest that ultimately the U.S. would take this course of action if and when the effort to produce a new treaty sailed into serious trouble, as it now has. And we conceded the U.S. position to be the correct one, despite what the Constitution says. That notwithstanding, we are not entirely convinced that invoking the agreement now is such a good idea. So much water has gone under the bridge.

Having negotiated a draft treaty premised on the Philippine position that the agreement expires on September 16, 1991, it may now be too late to invoke the 1966 exchange of notes. The U.S. may now be stopped from doing so, and it would look like a sore loser if it did.

Moreover, if because of such U.S. action Mrs. Aquino fails to comply with her constitutional duty to remove the U.S. forces after September 16, she would expose herself to possible impeachment. Although she has been an utter disappointment to the U.S. Washington may not want to see anything of the sort.

On the other hand, the U.S. may not be prepared to go. Despite repeated avowals to the contrary, it may never have seriously considered the possibility of leaving Subic naval base in 1991 or 1992. For this reason, it will have to play the only card it has, the Ramos-Rusk agreement.

In 1947 when the bases agreement was entered into, the U.S. was the lone world power with a monopoly of the atom bomb. It virtually dictated the terms of the agreement. On the day the agreement was put to a vote in the Senate, those who opposed it absented themselves so tht no negative votes were cast.

As the lone superpower in the world today, the U.S. will concede that negotiating with the Philippines has become much more complicated. But it is not likely to relish the fact that it has lost the bases without losing a war—that it has been asked to go home by its best and longest friend in the region, without a single shot being fired, without blood flowing in the streets, and while its incompetent puppet remains in office.

The nationalists have every right to claim they defeated the treaty. But after everything is said, the treaty's defeat owes as much to their single-mindedness as to Mrs. Aquino's incompetence and the incoherence of U.S. policy. Having lost the bases, the U.S. should now try to save what can be saved of its influence and prestige in the country.

Abadia Clarifies Concession for Honasan Surrender

HK1209131891 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 12 Sep 91

[Text] Former Colonel Gringo Honasan will still face charges filed against him even if he returns to the fold voluntarily. This was declared today by Armed Forces Chief of Staff General Lisandro Abadia. According to Abadia, the only thing he promised Honasan is to place the latter under his care.

Abadia also said that he is presently being assisted by Vic Batac and Fred Capunan, both close colleagues of Honasan, in convincing the latter to come out from hiding.

Meanwhile, it cannot be ascertained if Honasan will accept the offer of the Armed Forces of the Philippines.

Aquino Accepts Cease-Fire; Drilon Comments

HK1409033091 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Sep 91

[Text] President Aquino accepts the cease-fire declaration of the National Democratic Front [NDF]. The Armed Forces of the Philippines and the Philippine National Police, however, expressed doubt.

Executive Secretary Franklin Drilon stressed that the government will further push for the local peace process now in progress in light of the declared unilateral cease-fire of the NDF. Drilon did not mention, however, if the military will comply in suspending its operations against the communist rebels.

The NDF declared a cease-fire on 11 September to fulfill its promise to suspend operations if there are indications that the Senate will reject the newly formed bases treaty.

Drilon also clarified that the cease-fire was first proposed by the Cluster E on political and security development and it is expected that the local peace process will be successful in view of the steps taken by the NDF.

Thailand

U.S. Government To Be Briefed on Labor Issues

BK1309111491 Bangkok THAI RAT in Thai 13 Sep 91 p 3

[Text] Wichittra Phromphanthum, deputy director general of the Labor Department, said that she had attended a meeting with officials from the Foreign Ministry and the Commerce Ministry to discuss data to be explained to the U.S. Government. There was a news reports that the United States would cut its GSP privileges to Thailand. As a result, Thailand has prepared the data to be explained to the United States. After the implementation of the 7th National Economic and Social Development Plan, child labor will be reduced because Thailand will extend its compulsory education to nine years. The State Enterprise Labor Relations Bill will not affect the rights of the laborers. Moreover, the Thai Government is working on laws concerning safety protection for laborers. It has already enacted about 12 bills on this matter in the past and is considering at least another three to four bills. She thought that this data would satisfy the U.S. Government.

However, the problem over which the Thai Government is greatly concerned in the explanation is the disappearance of Thanong Pho-an, former chairman of the Labor Congress of Thailand, because the U.S. Government has received many complaints on this issue from the U.S. Labor Federation and has been asked to cut the "GSP" for Thailand in regard of this.

Ministry Addresses U.S. Request for Drug Patent

BK1609022291 Bangkok BANGKOK POST in English 16 Sep 91 p 28

[Text] The Commerce Ministry plans to submit a proposal to Cabinet to provide transitional patent protection for drugs, as demanded by the United States, in a bid to avoid criticism by opposition groups.

A well-placed source in the Commerce Ministry told BUSINESS POST the issue was highly sensitive, so Commerce Minister Amaret Sila-on wanted Cabinet, rather than himself, to make a decision on the matter.

The source said the issue was the only remaining critical area in the Thai-United States trade dispute on intellectual property rights protection. Compromises had been reached by the two parties on other key issues at high-level talks in Washington early this month.

During the recent meeting between Mr Amaret and US Trade Representative Carla Hills, the US said it was satisfied with Thailand's progress on various issues, particularly the enforcement of copyright law and trademark law amendments.

But the US insisted that drugs registered outside Thailand in the past 10 years but not yet marketed in Thailand should be eligible for patent registration.

The source said Mr Amaret had refused to commit himself on the request, saying he may be accused of being a "traitor" for apparently favouring the US.

"It is very sensitive issue, because (registering the drugs) was strongly opposed by groups of doctors, pharmacists and some non-goverment organisations, but Thailand may face retaliation by Washington under Section 301 of the US Trade Act if it keeps its restriction," the source said.

"Mr Amaret wanted to play it safe by bringing the case to the Cabinet to make a decision."

A comprehensive draft amendment to the Patent Act had been prepared by the committee reviewing intellectual property rights protection, which would be prepared for submission to Cabinet in the near future, he said.

The amendments included agreeing to provide protection for pharmaceuticals and their ingredients, food and beverages, farm machinery and biological processes.

The committee agreed to extend the protection period for new inventions from 15 years to 20 years and for product designs from seven years to 10 years.

The draft also provided 18 months for foreign patent holders to apply for products to be registered in Thailand, instead of the 12 months allowed under the previous amendment.

It relaxed some of its compulsory licensing clauses, which Washington had complained were too tough, by bringing the clauses in line with the 1883 Paris Convention for the protection of industrial property.

The committee had also introduced clauses to ensure patent holders could not gain a strangle-hold on the market and charge unreasonably-high prices.

SRV Trade, Tourism Minister Arrives 14 Sep

BK1509072691 Bangkok Radio Thailand Network in English 0000 GMT 15 Sep 91

[Text] A six-man delegation from Vietnam led by minister of trade and tourism is on a visit to Thailand to promote closer ties in trade and tourism between the two countries. The delegation arrived in Thailand yesterday and will remain until 17 September. The visit is meant to cement bilateral relations and forge closer links in trade, investment, and banking in accordance with the Foreign Ministry's scheme to promote Thailand's economic interest abroad.

While in Thailand, the Vietnamese delegation will call on commerce minister, secretary general of the Office of the Board of Investment, president of the Council of Chambers of Commerce in Thailand and pay a visit to the exhibition center of the Department of Export Promotion.

Asa Comments on Visit

BK1609095991 Bangkok Radio Thailand Network in Thai 0530 GMT 16 Sep 91

[Text] This morning at the Foreign Ministry, Foreign Minister Asa Sarasin talked to reporters after the visiting Vietnamese delegation, led by Trade and Tourism Minister Le Van Triet, paid him a courtesy call.

Asa said the meeting was aimed at expanding trade cooperation between Thailand and Vietnam. In the process, there is a need to improve relations and create mutual confidence. The main target is to improve the standard of living of both the Thai and Vietnamese peoples. To acheive this target, both sides have to cooperate to eliminate various misunderstandings.

The foreign minister went on to say that the visit made by the Vietnamese trade and tourism minister would have a positive effect on his visit to Vietnam tomorrow. It would pave the way for negotiations on various problems and agreements, as well as the signing of agreements.

Agreements will be signed tomorrow to establish a joint Thai-Vietnamese commission, which will cover economic relations between the two countries; an agreement on investment protection, which would help protect the benefits of Thai investors in Vietnam; and an agreement on technical cooperation, on which Thailand has expertise, in the fields of agriculture and banking.

On the developments of the killings of Thai monks in the United States, the foreign minister said the real cause of the murders has been made clear to the public as robbery. It has thus made Thai residents in the United States feel more relaxed and secure since the murders were not caused by racial or religious discrimination. The police task force in charge of the case has arrested five suspects, while the other two suspects are still at large. The arrested suspects have already confessed to their crimes and lawsuits will be filed against them soon. We will let everything proceed in accordance with legal procedure there.

Beijing Vice Mayor Arrives 13 Sep

BK1409084691 Bangkok XING XIAN RIBAO in Chinese 14 Sep 91 p 4

[Excerpt] Beijing Vice Mayor Zhang Baifa arrived in Thailand yesterday for a week-long friendly visit at the invitation of the Physical Education Department of the Education Ministry of Thailand.

Zhang Baifa was the person in charge of the Beijing Asian Games last September. He is visiting Thailand to attend a meeting of the Executive Committee of the Far East and Pacific Regional Sports Federation for the Disabled to be held in the Southern Province Phuket. He will also solicit support from the members to support Beijing's bid to organize the 2000 Olympic Games. [passage omitted].

Army Commander Visits Eastern Europe

Meets CSSR Leaders

BK1309040491 Bangkok Army Television Channel 5 in Thai 1230 GMT 12 Sep 91

[Text] Army Commander in Chief General Suchinda Khraprayun and his delegation have arrived in the Czech and Slovak Federal Republic. This is the first official visit by a Thai Amy commander to that country.

Gen. Suchinda and his delegation are visiting the CSFR following their two-day visit to Hungary. The army commander arrived at 1035 local time on 11 September and was welcomed by Major General (Karel Piez), CSFR Deputy Defense Minister and chief of the Army General Staff. Accompanied by the deputy defense minister, Gen. Suchinda later called on Defense Minister Lubos Dobrovsky at the Defense Ministry. A review of the Guard of Honor of the three armed services was held before the meeting. During the meeting, the two sides agreed to make joint efforts to achieve peace in all parts of the world and to enhance cooperation in such areas as the military and the economy. Gen. Suchinda said that the Thai military's duties are not only to defend the country but also to help develop it.

Later at 1500, Gen. Suchinda called on (Oris Kenay), assistant to the president at the Presidential Office. The two sides agreed to enhance military cooperation. The two sides should exchange knowledge since both have different weapons systems. Gen. Suchinda also said he agreed with the Republic of Hungary's decision to join the UN peace forces in overseeing the Cambodian settlement.

At 1600, the army commander called on Prime Minister Marian Calfa at the Government House. Marian hoped that both sides will enhance economic and cultural cooperation. He also invited Thai businessmen to become investors since the CSFR has the capability to produce heavy machinery. Defense Minister Lubos Dobrovsky hosted a party in the evening in honor of the Thai army commander's delegation.

Comments on Visit

BK1409142291 Bangkok Army Television Channel 5 in Thai 1230 GMT 14 Sep 91

[Text] Army Commander General Suchinda Khraprayun and his delegation arrived in Poland on 13 September after concluding their visit to the Czech and Slovak Federal Republic. They were welcomed in Poland by the Polish military chief of staff. At 1100 local time, Gen. Suchinda was escorted to call on Polish National Defense Minister Vice Admiral Piotr Kolodziejczyk at his ministry. The two sides exchanged views on military relations between their countries and on disarmament while at the same time maintaining combat preparedness. They also discussed the Cambodian problem and the issue of the resulting refugees.

Gen. Suchinda spoke to Thai newsmen about his current trip to Eastern Europe:

[Begin recording] [Suchinda in progress] The trip has been relatively successful because no high goals were set for my trip, which was made at the invitation of the defense ministers of Hungary, Czechoslovakia, and Poland. As for the first goal of my visit, Thailand and the East European countries have had no military contacts to date. Therefore, this is an opportunity to initiate these contacts, and I have received a warm reception.

The next goal concerns the Cambodian problem. The Eastern European countries were Vietnam's supporters. I want to hear their views about the peace which is approaching in Cambodia and whether they plan to join the peace-keeping force there.

[First unidentified correspondent] The local media in East Europe have noted that the purpose of your trip is shopping for weapons. Can you comment?

[Suchinda] That is completely false. If we want to buy weapons, we would be unlikely to buy from Eastern Europe, most of the countries not being weapons producers themselves and use Soviet weapons. Also, most of the countries are currently embarking on disarmament—reducing the size of their armed forces. Therefore, the purpose of my current trip is absolutely not to buy arms.

[First correspondent] Have you made any observation for the purpose of modernizing the Thai armed forces?

[Suchinda] I have not visited any military units or looked at any weapons. Most of the visit was spent on making courtesy calls on the defense ministers, army commanders, and prime ministers of the countries concerned.

[First newsman] Did you suggest the appointment of military attaches to these countries?

[Suchinda] There were no discussions on such a topic. The visit merely serves to make myself familiar with these countries. The three countries that I visited are aware of the importance of Thailand and want to establish contacts with it because they recognize Thailand as the future center of Southeast Asia.

[First newsman] Were you asked to persuade foreign investors to invest in Thailand?

[Suchinda] There was no such request. I am making the current trip as a military officer, so most of the conversations I had dealt with military topics. [end recording]

Normalization of PRC-SRV Ties Welcomed

BK1409085591 Bangkok XING XIAN RIBAO in Chinese 14 Sep 91 p 4

[Text] Foreign Ministry Spokesman Sakthip Krairoek yesterday said that normalization of Sino-Vietnamese relations is a good thing. This is what Thailand has been always hoping for.

During a news conference, Sakthip welcomed the results of recent talks between Vietnamese Foreign Minister Nguyen Manh Cam and Chinese Foreign Minister Qian Qichen in Beijing aimed at normalization. He said that normalization of Sino-Vietnamese relations would be conducive to a political settlement of the Cambodian problem.

Nguyen Manh Cam will brief Foreign Minister Asa on the results of the talks between the Chinese and Vietnamese foreign ministers when the latter pays a three-day official visit to Vietnam next Tuesday. Asa has always said he hopes that Chinese and Vietnamese leaders will have frequent contacts and normalize bilateral relations as soon as possible, as this will contribute to a political settlement of the Camobidan conflict and will be beneficial to regional peace and stability.

Asa, 55, will become the first high-ranking foreign official to visit Hanoi after the changes in the Vietnamese Communist Party and cabinet this year. His visit to Vietnam will also pave the way for the upcoming visit by Vo Van Kiet, chairman of the Vietnamese Council of Ministers, to Thailand this year.

During his visit to Hanoi, Asa will pay courtesy calls on Vo Van Kiet and Pham Van Khai, deputy chairman of the Council of Ministers, and will travel to Ho Chi Minh city to meet with Vo Tran Chi, secretary of the Ho Chi Minh City Party Committee, to discuss ways of improving bilateral trade and investment relations.

Soviet Ambassador on Future Policy Toward Asia

BK1409012291 Bangkok THE NATION in English 14 Sep 91 p A4

[Text] The Soviet Union will continue its current foreign policy towards the Asia-Pacific region that has contributed to peace and stability in the area, a senior Soviet official said yesterday.

"It is a good policy that has brought peace to the region," said Oleg V. Bostorin, the new Soviet Ambassador to Thailand.

He was referring to the positive role his country has played to facilitate the peace process in the Cambodian conflict.

Bostorin said that the Soviet Union would strengthen its ties with the countries in the region and place more emphasis on new areas such as human rights, economics and trade.

The Soviet Union, he said, will work together with other countries to build a peaceful environment by eliminating conditions that could lead to conflict.

The envoy said that the Soviet presence in Vietnam's Cam Ranh Bay has been steadily reduced, and "it is possible that in the future the Soviet Union will no longer use the base."

The Soviet military presence in Vietnam has been perceived as a threat by countries in the region.

In the past years, the Soviet Union withdrew some bombers aircraft and submarines.

Bostorin briefed Thai reporters on the recent developments inside the Soviet Union, including the new federation that is emerging after Lithuania, Latvia and Estonia declared independence last week.

The envoy also discussed the current endeavour of President Mikhail Gorbachev to hold the world's largest country together and its ongoing rearmament effort.

Aleksandr I. Belchuk, the embassy's economic counsellor, said given the current crisis in the Soviet Union, it would take a few years before the economic situation is healed.

The Soviet Union, Belchuk said, is caught in a dilemma as the old system has collapsed but the new system has not yet emerged.

In the past, he said the Soviet Union paid lip service to the market economy, but after the botched coup last month all efforts are being focused on gearing the nation towards the market economy.

The crisis in the Soviet Union, coupled with the lack of hard currency has slightly weakened Thai-Soviet bilateral trade, he said.

But Belchuk expressed the hope that the trade volume would increase once things fall into place because his country is always in need of Thailand's consumer goods, such as textiles and food.

Paper Comments on Cambodian Settlement

BK1509013091 Bangkok THE NATION in English 15 Sep 91 p B3

[Editorial: "Khmer Peace for Real"]

[Text] When leaders of Cambodia's four factions meet one more time against the silhouette of New York's skyscrapers, the whole world will be with them. The scheduled meeting next Friday would focus on the voting system to be used in Cambodia—the last hurdle of the peace process after more than 12 years of fighting. When they met in Phatthaya a few weeks ago, the Cambodian factions still disagreed on the issue. Hope is now high that they would finally come to a real settlement.

Prince Norodom Sihanouk, president of Supreme National Council, said in Paris that a peace accord could be signed on October 31. This means that a peace settlement in Cambodia would come faster than anticipated by anybody. At first, officials dealing with the Cambodian conflict said that it would take at least another year before things fell into place. Sihanouk's optimism came after all rival Cambodian factions responded positively towards his latest proposal on the electoral system. At the moment, the resistance groups still want a proportional representative system, which they think could guarantee their victory in the ballot. Phnom Penh wants the so-called single constituency ballot system. The prince came forth with the plan to combine the two ideas into one, which he said would be suitable for the Cambodian voters, after he spoke in favour of Phnom Penh's position saying that the Cambodian people are familiar with the single constituency ballot system.

The agreement among the Cambodians at this point is crucial as the five permanent members of the United Nations will hold another discussion with them to work out details of the UN-brokered peace plan. For its part, the United Nations Security Council [UNSC] is also very anxious to see this regional flashpoint go down into the annals of history. At the same time, they want to make sure that the peace agreement would last until there is a viable elected government in place to run the country.

The meeting between the Cambodians and UNSC, scheduled next Saturday, would wrap up the painstaking process to end the 12-year Cambodian war. In the past, the international community, especially the UN, seemed disinterested in finding a solution to the Cambodian problem. Most of them adopted the "wait and see" attitude towards the prospect of peace in Cambodia. All of that however has changed. Foreign assistance, which for years perpetuated the fighting in the proxy war, has now come to a halt thanks to rapproachments among major powers and key players including the United States, the Soviet Union, China and Vietnam.

Without any outside help, the rival Cambodians were able to sit down and talk "sense" among themselves. In the past two months, they were quick to come into agreements after agreements that have paved the way for an earlier peace settlement in Cambodia. The very fact that the Cambodian factions could see eye-to-eye on the peace process and that the future of the war-torn country depended very much on their decision is a big accomplishment. Next week, they will have one more session to prove to the world whether they can overcome their differences come what may.

No one now can speak with any certainty what would happen inside Cambodia once there is peace. Will there be more turmoil during the interim period? One should not have any illusion that the warring factions agreed to bury the hatchet—solely of the common good of the country and their people. They cooperated because they thought it would be to their advantage in the emerging political situation if a settlement to the fighting is reached.

The previous condition: battle and negotiation has changed to "cooperation and competition". Each party wants to see that it prevails in the future election. Disagreements and chaos could return if one of the rival Cambodian factions think that it is entitled to a bigger slice of the cake than others in the peace settlement. That explains why the UN peace keeping forces would have a decisive role to play in both the short and long term future of Cambodia.

Both Phnom Penh and the resistance are aiming to govern the future Cambodia for they think the country would benefit from their battlefield experience. At the very least, Prince Sihanouk also has his own agenda. The Prince's constructive role in conducting discussions among members of the Supreme National Council is to be commended. It is also a testimony of his intention to return to Cambodia as the King. But whether that dream can be realized or not would depend largely on the Cambodian people, who have not seen him on their soil for the past two decades. Essentially, Sihanouk's return would be more of a symbol of peace that things have returned to normalcy in Cambodia.

Other Cambodian groups have their own priorities. The Cambodian voters will have the final say whether they are happy with the government which controls them, or whether they want the resistance groups including the Khmer Rouge guerrillas to be in power. But one thing is almost certain now. No matter what is the result of the election, Cambodia's future will have to follow a certain course—to pursue a market economy and a more democratic way of life. This trend is irreversible because the phenomena is not local or regional but global in its context and application. In order to reconstruct Cambodia quickly and to integrate the war-ravaged country with the economies in neighbouring countries and the international community, it must leave behind its horrible and bloodstained history.

Prime Minister Denies Resignation Rumors

BK1409132991 Bangkok Radio Thailand Network in Thai 1200 GMT 14 Sep 91

[Text] Prime Minister Anan Panyarachun, speaking to newsmen at Sirirat Hospital today about a rumor that he might resign as prime minister, said he has not resigned and wondered where newsmen had picked up the rumor. He said the government has no problem as far as its status is concerned and that it is stable, adding that he has already planned his work through January. Asked whether he plans any action to dispel the rumor, the prime minister said he could not dispel rumors, but rumors will disappear if newsmen stop fanning up rumors.

Meanwhile, Supreme Commander General Sunthon Khongsomphong denies that the prime minister planned to resign. He noted that he had advised the prime minister to be strong and determined and to exercise restraint. He also asked newsmen to avoid filing reports that might make the prime minister feel discouraged.

NPKC, Government Meet on Differences

BK1509014891 Bangkok BANGKOK POST in English 15 Sep 91 p 4

[From the "In Print" column]

[Text] A six-hour meeting between leading figures in the Government and the National Peace-Keeping Council [NPKC] on September 2 could not eliminate differences between the two power poles, NAEO NA daily said.

Some remarks made by members of the NPKC in the past two weeks clearly reflected the NPKC's displeasure with the Government's performance, although it had to be philosophical about it, the paper said.

"Whether we like it or not, we have to live with it because we have chosen them (the Government)," Army chief Gen Suchinda Khraprayun told the Reporters' Association in August.

On September 1, NPKC advisory board chairman Bunchana Atthakon told reporters that government and NPKC leaders had rarely met and this created a gap between them.

At a meeting with three newspaper editors on September 4, Prime Minister Anan Panyarachun contended that the Government was doing its utmost within the framework of the Interim Constitution which clearly defines the duties of each institution.

NAEO NA further quoted Mr Anan as saying that the NPKC cannot make the Government do anything that it feels is not right.

Some events of the past weeks also reflected the fact that the NPKC and the Government must co-exist in a dual power system, though not as rivals. But conflicts within the existing system have created a crack which may allow a third party to drive in a wedge, the paper said.

Informed sources at Government House said it would be difficult to eliminate the dual power because the structure is specified in the Interim Constitution. Though there have been attempts to discredit him, Mr Anan is unlikely to resign, the sources said.

Even though the Government has cut the defence budget by 5,000 million baht, taken 600 million baht out of the democracy propagation programme and turned down a request from the Supreme Command for a 4,000-million-baht extra fund for military development programme equipment, nothing would happen to the Anan Government, NAEO NA said.

The stance adopted by the Anan Government shows its independence and this has caused a degree of unease on the part of the military. However, the NPKC can still pin its hopes on Finance Minister Suthi Singsane, who is more flexible on money matters, the paper added.

NAP Leader Criticizes Anan, Air Force Chief

BK1609015991 Bangkok THE NATION in English 16 Sep 91 pp A1, A2

[Text] New Aspiration Party [NAP] leader Chawalit Yongchaiyut charged ahead with his political offensive yesterday by demanding an "immediate remedy" for what he described as a worsening relationship between the military and the caretaker government.

Chawalit's second dramatic move in less than a week was followed by a strong statement by Prime Minister Anan Panyarachun last night that he would not quit as the chief executive.

Anan told a gathering of businessmen that he intended to stay on as prime minister "until the current provisional constitution expires."

Chawalit, who last week turned his back on his armed forces successors by rebuffing the pro-military draft charter, looked friendlier with them yesterday, and it was Anan's transitional government that seemed to draw his fire.

The ex-chief of the armed forces compared the military-supervised provisional administration of the country to the Lauda Air jetliner that crashed in Suphan Buri on May 26. The tragedy was blamed on an accidentally-deployed thrust reverser, which normally is used only to slow down the aircraft when it lands.

"It feels like the Lauda Air situation, in which one engine pushes ahead but the other pulls backward," Chawalit said of the relationship between the military and the caretaker government.

The National Peacekeeping Council [NPKC] and the government have publicly denied serious conflicts, but the military's requests for special defence spending budgets have been shelved by Anan, and the NPKC has shown its impatience regarding the goverment's handling of certain national problems.

Chawalit said he had met military leaders, including Army Commander in Chief Suchinda Khraprayun, about two weeks ago.

"We drank and ate and discussed ways to improve the country's situation," the NAP leader said.

He said there was a feeling of "uneasiness" on the NPKC side in regards to its relations with the caretaker government.

Chawalit called for an immediate overhaul of the ruling system.

"To try to fix the engine in mid-air is too risky and dangerous. It's time to land the plane for an overhaul, because it's no longer possible to continue flying," he said.

Chawalit said the meeting with NPKC leaders was coordinated by Gen Sunthon Khongsomphong, the supreme commander and chairman of the military council.

News reports had indicated rapidly declining relations between Chawalit and Suchinda, who are leading rivals for the premiership.

Chawalit last week announced he would not help "polarize" Thai politics by confronting Suchinda and declared that the draft constitution was undemocratic and unacceptable.

But many regarded his move as an election ploy.

Chawalit yesterday spoke more favourably of Suchinda.

"I don't believe that Gen Suchinda, who is a wise man, will choose political means that are not justified," he said.

Chawalit also complained that Air Force Commander in Chief Kaset Rotchananin, who has projected himself as another premiership candidate, was hostile toward him.

Kaset has declared that the newly-formed Samakkhitham Party, regarded as the NAP's key rival, was a pro-military camp. The new party is said to be pushing for constitutional rules that would catapult military leaders into post-election political power.

"I don't understand why (Kaset) doesn't love and trust me," Chawalit said.

The ex-army chief's softer approach toward the military yesterday coincided with rumours that Prime Minister Anan was planning to quit soon.

Anan has repeatedly denied such rumours, and looked resolute yesterday when he vowed to carry on until his term constitutionally ends.

Speaking to businessmen at the Sirikit Convention Centre last evening, Anan said the latest rumour "is not the first and will not be the last".

He said he could fight anything but rumours.

"I have never thought of resigning," he said. "It hasn't been in my head since the day I accepted the premier's post. I agreed to do this job and I will be here until the (interim) Constitution expires. I will leave on the day my term ends constitutionally.

Prime Ministry Loosens Media Constraints

BK1509015891 Bangkok BANGKOK POST in English 15 Sep 91 p 3

[Text] Prime Minister's Office Minister Michai Wirawaithaya said yesterday that TV Channel 11 and Radio Thailand of the Public Relations Department will not be a mouth-piece of the Government and would present the people's viewpoints even though they may contradict those of the powers-that-be.

The Public Relations Department will no longer be a tool for the Government or politicians and will present balanced and impartial stories, the minister responsible for the state-owned media agencies said.

The people's viewpoints will be heard on TV and radio as much as those of Government figures because the media belongs to the state, and not the Government, he said.

Mr. Michai said the public does not have to agree with the prime minister on every issue and may express opposition.

He said some people, in expressing their opposition to certain viewpoints, may mention Government figures by name which will be broadcast on the department's TV and radio programmes to promote democratic rule, he said.

Asked to comment on a panel discussion programme called Tang Mum Mong (Different Viewpoints) broadcast weekly on TV 11, the non-portfolio minister said Prime Minister Anan Panyarachun will not censor the show.

"And neither will I because it is good to listen to different ideas," he said.

Mr Michai vowed to improve the department so that "people throughout the country will watch and hear only the best programmes". He confirmed there will be no commercials on TV 11 or Radio Thailand.

He said 60 per cent of air time is for education programmes.

It takes time to make "the best decision" on whether or not the department should become a state enterprise in the near future, he added.

Vietnam

Commentary Views Investment, U.S. Embargo

BK1609150091 Hanoi Voice of Vietnam in English 1000 GMT 16 Sep 91

[Station commentary]

[Text] In recent months, the question of investing in Indochinese countries, including Vietnam, has been drawing much interest from foreign investors.

It is interesting to note that on 12 and 13 September, an investment forum was held in New York under the title "Vietnam, the Awakening Tiger." This was the first conference of this theme to have been held in the United States as part of the efforts by the Institute for International Research under the sponsorship of ASIAN WALL STREET JOURNAL and the Indochina Project.

The conference also provided American business circles with information and data for their investment in Vietnam once the U.S. embargo is lifted. It was participated by 80 businessmen representing a number of U.S. companies, including AT&T, Esso, Conoco, Seagate, Dupont, New York Bank, and many American nongovernmental organizations, which have acted as mediators for investment projects in this country.

Vietnam was represented at this forum by Mrs. Ngo Ba Thanh, lawyer and chairperson of the National Assembly Law Committee, and Vietnamese Ambassador Trinh Xuan Lang, head of the Vietnamese permanent representation at the United Nations. The U.S. Government was represented by Kenneth Quinn, deputy assistant secretary of state for East Asian and Pacific affairs.

Speaking at this conference, Mr. Trinh Xuan Lang stressed Vietnam's renovation policy in all social economic fields initiated since the Seventh National Party Congress. The ambassador also pointed to the resolve of the Vietnamese people to continue this policy by expanding economic ties with all international organizations, foreign companies, and individuals on the basis of respect for independence, sovereignty, equality, and mutual benefit.

Speaking on this occasion, Mr. Quinn said that certain progress has been made in the process of normalizing U.S.-Vietnam relations. Meanwhile, 16 main speakers, including several long-time investors and collaborators with investment projects in Vietnam, laid stress on the need for the U.S. Government to lift the embargo, giving green light to early investment by U.S. companies, particularly given the growing presence of the European and Japanese companies in this country. The speakers also drew attention to the huge potential of natural resources, manpower, and the great demands of the Vietnamese market.

Other issues on the agenda included the present difficulties involved in investment in Vietnam. Many speakers expressed interest in the Vietnamese business circles whom they described as quick-minded and apt to adapt themselves to changes.

Vietnamese Ambassador Trinh Xuan Lang stressed that Vietnam did not want the Americans to be the last to do business with Vietnam, adding that if that happens, Vietnam is not at fault.

In fact, in recent years, a number of foreign companies have been doing business with Vietnam. Mr. (Kajo Nori Aoki), vice president of the Thai electronics company (Atsun), also known as EETC, remarked that since Vietnam began its renovation policy in 1987, many companies of Japan and other countries have set up offices in Vietnam. These companies have been very active in doing business with Vietnam. He said EETC has made up its mind to launch a drive of investment in southern Vietnam before the United States decides to lift the embargo.

Army Paper on 'Fate' of Subic Naval Base

BK1309120791 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 13 Sep 91

[From the daily press review]

[Text] QUAN DOI NHAN DAN today, 13 September, carries on page four an article by Van Yen on the fate of U.S. Subic Military Base in the Philippines.

The article says: The fate of the U.S. Subic Military Base will be decided soon in Manila. Whether the final vote by the Philippine Senate—on 16 September at the latest—will be or will not be a death registration for the base, the issue is a headache for many responsible persons in Washington and Manila at present. It has also drawn great attention from nations in the region and the world.

Reportage Covers Foreign Minister's PRC Visit

Nguyen Man Cam Meets Wang Wendong

BK1309161791 Hanoi VNA in English 1456 GMT 13 Sep 91

[Text] Hanoi VNA Sept. 13—During his official visit to China, Foreign Minister Nguyen Man Cam toured a number of cultural and economic establishments in Beijing and other places.

On Sept. 10, Foreign Minister Nguyen Manh Cam and his party visited the China-Vietnam friendship farm on the outskirts of Beijing. The farm's leading officials and workers welcomed the guests and praised the traditional friendship between the Chinese and Vietnamese people.

On Sept. 11, they paid a visit to the Beijing Jeep Manufacturing Plant, a joint venture with a foreign country.

On Sept. 12, the Vietnamese delegation left Beijing for Guilin Anb Nanning in southern China where it toured a number of economic establishments which used to have cooperative relations with Vietnam.

Meeting with the Vietnamese delegation, the chief officials and people of all strata expressed their joy at the quick steps toward the normalization of the traditional relations between the two countries, especially the Sino-Vietnamese summit meeting to be held later this year. They also expressed their warm sentiments towards the Vietnamese people, and their wishes for the expansion of the multi-sided cooperation with Vietnam on the basis of friendship and neighborliness in the two people's interests, and for peace, stability, and cooperation in the region.

On this occasion, Deputy Foreign Minister Vu Khoan had working sessions with Chinese Deputy Minister of Foreign Economic Relations Wang Wendong. The two sides exchanged views on the normalization of economic and trade relations between the two countries. Vu Khoan also had discussions with concerned Chinese diplomats on the preparation for opening border gates and measures to build a safe and friendly border line.

Station Commentary Views Visit

OW1409040891 Hanoi Voice of Vietnam in Mandarin 0830 GMT 13 Sep 91

[Station commentary]

[Text] Dear listeners:

On 12 September the Vietnamese side published a press communique on Vietnamese Foreign Minister Nguyen Manh Cam's official visit to China. The contents of the press communique show that a significant step has been taken in the development of Vietnamese-Chinese relations. Please listen to a commentary by our commentator on this event:

After more than 10 years of abnormal relations between Vietnam and China, the two sides on 12 September simultaneously published a press communique describing in detail the activities of Vietnamese Foreign Minister Nguyen Manh Cam during his official visit to China, as well as issues concerning Vietnamse-Chinese relations. According to the press communique, after his arrival in Beijing to begin an official visit on 9 September, Vietnamese Foreign Minister Nguyen Manh Cam met and had a cordial conversation with Chinese Premier Li Peng and Foreign Minister Qian Qichen. During his meeting with Foreign Minister Nguyen Manh Cam, Premier Li Peng pointed out the present situation shows that conditions are ripe for normalization of Sino-Vietnamese relations.

During their talks, both Foreign Minister Nguyen Manh Cam and Foreign Minister Qian Qichen agreed that it is necessary to restore the relationship of good-neighborliness and friendship between Vietnam and China. At the same time, the relationship should be built on the basis of the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non- interference in each other's internal affairs, equality, and mutual benefit and peaceful coexistence. Both sides agreed to restore exchanges and cooperation between the two countries in the economic, trade, scientific, technological, transportation, cultural, and other fields with a view to gradually normalizing Vietnamese-Chinese relations. During the visit, Vietnamese Foreign Minister Nguyen Manh Cam also exchanged views on a visit to China this year by Vietnamese leaders.

The results of his visit are of great significance to the relations between Vietnam and China, which are connected by mountains and rivers, and the relations originate in the traditional friendship as well as mutual sympathy and mutual support between Vietnamese people and Chinese people. The results of Nguyen Manh Cam's official visit to China also mark an important milestone in the process of complete normalization of the Vietnamese-Chinese relations.

In fact, the two countries have already gradually restored and improved their relations in recent years. A concrete example is the development of border trade between them. According to Chinese newspapers, trade contracts exceeding $100 million were signed between Vietnamese and Chinese corporations in the first half of this year. Now, important results have been achieved in the course of normalizing the relations between the two countries, and the conditions have become more and more favorable to the development of bilateral relations.

The Vietnamese people are glad to see the important changes in Vietnamese-Chinese relations. At the same time, people clearly know that the positive progress in relations between the two countries today is not accidental. It is the result of concerted efforts made by both sides. It is also a manifestation of Vietnam's consistent foreign policy. Moreover, the Communist Party of Vietnam [CPV] had called for normalizing relations with China as early as its sixth national congress. The Seventh CPV National Congress held recently had again reaffirmed Vietnam's efforts to normalize Vietnamese-Chinese relations. In the days to come, Vietnam will continue its efforts to attain this objective. Particularly during the Vietnamese-Chinese summit meeting to be held before the end of this year, Vietnam will join China in working hard to make Vietnamese-Chinese relations enter a new stage of development; to normalize relations completely on the basis of friendship, good- neighborliness, and the five principles of peaceful coexistence; and to contribute to peace, stability, and cooperation in the region as well as in the world as a whole.

Newspapers Review Results

BK1409100391 Hanoi Voice of Vietnam in English 1000 GMT 13 Sep 91

[Text] Major newspapers in Hanoi on Friday [13 September] noted in editorials that a China visit by Vietnamese Foreign Minister Nguyen Manh Cam was successfully concluded. This visit constituted an important step in the process toward the full normalization of relations between Vietnam and China.

The national daily NHAN DAN and the army newspaper QUAN DOI NHAN DAN both said that this was the first official visit to China by a Vietnamese foreign minister after ten years without normal relations between the two countries.

After reviewing some important activities of Foreign Minister Nguyen Manh Cam in China, the national daily

NHAN DAN noted that Vietnam and China are two neighbors sharing mountains and rivers. The peoples of the two countries once had traditional friendly relations as they supported and assisted each other in their revolutions for national liberation and socialist construction.

The newspaper maintained its respect for this traditional friendship and expressed the Vietnamese people's sincere aspiration to restore Sino-Vietnamese ties. This, the paper added, was clearly shown in the resolutions of the Sixth and Seventh National Party Congresses of Vietnam.

NHAN DAN also expressed joy at the news that a summit meeting between Vietnam and China would be held this year. It said that this Sino-Vietnamese summit would mark a turning point in the process toward full normalization and usher in a new stage of bilateral relations.

For its part, the army paper QUAN DOI NHAN DAN noted that Sino-Vietnamese relations are based on the principles of respecting each other's sovereignty and territorial integrity, noninterference in the internal affairs of other countries, mutual benefits, and peaceful coexistence.

The army paper said that Sino-Vietnamese ties should not influence any third countries and should conform with the common trend for peace, stability, and cooperation in the region.

Nevertheless, QUAN DOI NHAN DAN noted that although the normalization of relations between the two countries has started, there remains much work ahead to further promote this process.

In conclusion, the army paper reaffirmed Vietnam's determination to do its utmost to restore normal relations between Vietnam and China in the long-term interests of the two peoples, for peace, security, cooperation, and progress in the region and the rest of the world.

Nguyen Manh Cam Returns

BK1409112491 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Sep 91

[Text] After satisfactorily concluding his official visit to the People's Republic of China, Comrade Nguyen Manh Cam, member of the party Central Committee and minister of foreign affairs, and his entourage returned to Hanoi on 14 September.

The delegation was welcomed back at the government guest house by Comrade Nguyen Khanh, member of the party Central Committee and vice chairman of the Council of Ministers; Comrade Dinh Nho Liem, first deputy foreign minister; Comrade Nguyen Dy Nien, member of the party Central Committee and deputy foreign minister; Comrade Trinh Ngoc Thai, deputy head of [the party Central Committee] Foreign Relations Committee; and a number of high-ranking cadres of the Foreign Ministry. Also present was PRC Ambassador to Vietnam Zhang Dewei.

While going through the Friendship Border Gate, both on his out-bound and in-bound trips, Minister Nguyen Manh Cam and his entourage have been given a warm and well-organized welcome by various comrades of the Lang Son Provincial Party Committee and People's Committee.

Commentary Hails Visit

OW1409162891 Hanoi Voice of Vietnam in Mandarin 0830 GMT 14 Sep 91

[NHAN DAN 13 September commentary: "An Important Step in the Process of Complete Normalization of Vienamese-Chinese Relations"]

[Text] Vietnamese Foreign Minister Nguyen Manh Cam has achieved complete success in his official visit to the PRC. This is the first official visit to China by a Vietnamese foreign minister in the more than 10 years since Vietnamese-Chinese relations were frozen. The event signals an important step for complete normalization of Vietnamese-Chinese relations. Foreign Minister Nguyen Manh Cam and his party were received by Premier Li Peng and held cordial talks with him during his China visit. The talks between Vietnamese Foreign Minister Nguyen Manh Cam and Chinese Foreign Minister Qian Qichen on making efforts toward complete normalization of Vietnamese-Chinese relations and comprehensive political settlement of the Cambodian issue, as well as on the international issues of common concern to both sides, were held in a friendly, sincere, and frank atmosphere.

During his meeting with the Vietnamese foreign minister, Premier Li Peng said that conditions for normalizing Vietnamese-Chinese relations are ripe. All the press communiques issued on the talks between Vietnamese Foreign Minister Nguyen Manh Cam and Chinese Foreign Minister Qian Qichen stressed the necessity for restoring good-neighborly relations between the two countries. Both sides maintained that relations must be established on the basis of the principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence; that Vietnamese-Chinese relations will not affect any other third country; and that relations will accord with regional peace and stability, as well as the trends toward cooperation. Both sides pledged to take concrete steps to restore economic relations; trade; scientific, technological, and cultural exchanges; and cooperation between the two countries. Both sides unanimously agreed after discussions to make preparations for an official visit to China by Vietnamese leaders this year in order to completely normalize bilateral relations.

Both sides were pleased to take note of the important progress made at the Phatthaya meeting of the Supreme

National Council of Cambodia and, meanwhile, stated that they will continue to make vigorous efforts to promote comprehensive political settlement of the Cambodian issue. Both sides maintained that improvement of Vietnamese-Chinese relations will contribute to comprehensive political settlement of the Cambodian issue.

Vietnam and China are two neighboring countries linked by common mountains and rivers. Their peoples once enjoyed traditional and long-standing friendship and supported and assisted each other in their respective revolutionary cause of national liberalization and socialist construction. The sincere desire of the Vietnamese side is to cherish the traditional friendship between the Vietnamese and Chinese peoples and look forward to normalization of Vietnamese- Chinese relations. The desires were proclaimed in writing in the resolutions adopted by the Sixth National Party Congress of the Communist Party of Vietnam [CPV] and in documents adopted by the Seventh National Party Congress of the CPV. These documents positively pointed out that the Vietnamese party and state call for promoting the process of normalization with China, expanding Vietnamese-Chinese relations step by step, and solving outstanding problems between the two countries. The Vietnamese people closely follow with interest the positive changes taking place in the process of normalization of relations between the two countries and are pleased with them. Contacts between the two sides and continued improvement in their border situation deserve the pleasure we take in them. The results of Vietnamese Foreign Minister Nguyen Manh Cam's visit to China is a [words indistinct] source of encouragement. The Vietnamese side is immeasurably pleased to learn that a summit between Vietnam and China will be held within this year. This important event will definitely be a sign of complete normalization of Vietnamese-Chinese relations and their progress to a new stage.

The Vietnamese side maintains that complete normalization of Vietnamese-Chinese relations satisfies the desires of their peoples; is conducive to Vietnam's endeavor to adopt a new line and expand international relations as well as China's implementation of the reform and opening up policy; is in the long-term and fundamental interests of the peoples of the two countries; and, furthermore, makes positive contributions to peace, stability, cooperation, and development in the region and in the world. Recent realization of improvement of Vietnamese-Chinese relations completely bears out this point. The Vietnamese people hail the good results achieved by Foreign Minister Nguyen Manh Cam's visit to China. The event shows Vietnam is approaching a milestone of extremely great significance—namely, the summit between Vietnam and China. We are convinced that as long as both sides continue to make efforts, Vietnamese-Chinese relations will definitely be able to be completely normalized to satisfy the desires of the peoples of the two countries, be in their interests, and make contributions to peace, stability, and cooperation in the region.

Vietnamese Foreign Minister Nguyen Manh Cam and his party left Beijing for Guilin and Nanning on the afternoon of 11 September. During the four days of their visit to Beijing, Premier Li Peng met with Foreign Minister Nguyen Manh Cam; and Qian Qichen, state councilor and foreign minister, held talks with Vietnamese Foreign Minister Nguyen Manh Cam. The Vietnamese foreign minister visited some economic institutions and places of historical interest and scenic beauty in Beijing.

PRC Provincial Officials Pleased With Trade

BK1609095091 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 16 Sep 91

[Text] Concerning the 15 September issue, a correspondent from the CHINA DAILY quotes a Quangxi provincial official saying that with the normalization of the SRV-PRC relations, cross-border trade between the two countries will further expand after a period of rapid development in the last few years.

The official who works in the External Economic Relation Section of the province said that in the following years, Quangxi Province and other provinces bordering China will start joint venture investment projects and hold exhibitions in Vietnam.

He said cross-border trade has greatly helped the development of the local industry and agriculture of the bordering Chinese provinces, and it has also improved income for the local people.

He also said that Quangxi and other resourceful border provinces of Yunnan and Guizhou will further expand their export of machinery and raw materials to Vietnam.

Radio Welcomes 'Improved' Thai Relations

BK1509135191 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 14 Sep 91

[By Thanh Hai]

[Text] Of late, the friendship and cooperation between Vietnam and the Kingdom of Thailand have gradually improved and developed a step further. In 1990, these developments ranged from visits by the two countries' delegations to get acquainted with one another to performances by the two countries' art troupes, exchanges of television programs, and Vietnam welcoming Thai investors.

In February 1991, after assuming power, the new Thai Government made public its foreign policy. Addressing the Thai Parliament on 4 April 1991, Prime Minister Anan Panyarachun said: It is the objective of the new Thai Government's foreign policy to promote peace in the region; to achieve mutual understanding among neighboring countries in order to bring about stability, security, and prosperity in the region; to step up economic cooperation, trade, and investment with ASEAN member countries as well as with other neighboring countries like Vietnam and Laos; and to diversify and harmonize relations.

Speaking on 30 May 1991 during his visit to Malaysia, Prime Minister Anan Panyarachun elaborated on his 4 April 1991 statement by pointing out that Thailand even supports the expansion of ASEAN to include new member countries to help promote cooperation, peace, and stability in the region. In this connection, Thailand does not foresee any problem in the expansion of ASEAN in the future to include even the Indochinese countries and Burma. ASEAN is not an exclusive club. It is true that difficulties do exist; however, there is no such thing as unsurmountable obstacles preventing these countries from joining ASEAN. The reason is because these countries also belong to Southeast Asia and have great potential.

Implementing the new government's foreign policy toward the region, Thailand has taken steps aimed at promoting relations with Vietnam in many domains, including the ratification of a proposal for setting up a joint Thai-Vietnamese economic cooperation committee put forth by former Thai Prime Minister Chatchai Chunhawan more than a year ago.

Reporting on the ratification of this proposal by the Thai Government, on 15 May 1991, Radio Thailand said that the current government under Prime Minister Anan Panyarachun wanted to pursue a policy of cooperation with Vietnam, especially in the areas of economic development, trade, and investment. Radio Thailand added that during his visit scheduled for late September this year, the Thai foreign minister will propose that Vietnam and Thailand sign an agreement on establishing a joint Vietnamese-Thai committee.

In late June 1991, the Thai Government sent a high-level military delegation led by General Sunthon Khongsomphong, supreme commander of the Armed Forces of the Kingdom of Thailand, on an official friendship visit to Vietnam. The delegation was welcomed by Comrade Do Muoi, then chairman of the Council of Ministers. Chairman Do Muoi described the visit as a symbol of the friendship between Vietnam and Thailand. He praised Thailand for its great contributions to resolving the Cambodian issue and to consolidating peace and stability in the region. He stressed the important role of the relations between Vietnam and Thailand in each country's national development and in the promotion of peace, security, and development in Southeast Asia.

In his reply, General Sunthon Khongsomphong expressed his respect and admiration for the Vietnamese people and hoped that the visit would serve as a starting point for developing the friendship between the two countries in the days ahead. He hoped that the two countries would constantly develop solidarity and cooperation so as to help promote the cause of national construction in each country.

In these days, the friendship and cooperation between Vietnam and Thailand have been further developed. His Excellency Thai Foreign Minister Asa Sarasin will pay an official visit to Vietnam in the near future. His trip will mark the first visit by a Thai foreign minister to our country since the government led by Prime Minister Anan Panyarachun assumed power.

The good developments of friendship and cooperation between Vietnam and Thailand conform with the trend of peace, stability, cooperation, and development in the region, and respond to the aspirations of the peoples of the two countries.

We welcome these fine developments and reassert our unchanged policy of attaching importance to the cooperation, solidarity, and friendship with countries in the region, including Thailand, on the basis of equality, mutual respect, and mutual benefit, thus contributing to consolidating peace, security, stability, and development in Southeast Asia, as well as the rest of the world.

Australia Plans To Open Trade Office in 1992

BK1409133691 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 13 Sep 91

[Text] According to Radio Australia, the Australian Government is making efforts to improve its trade ties with Vietnam and plans to open a new trade office in Hanoi next year.

To Appoint Full-Time Commissioner

BK1509070291 Hanoi VNA in English 0609 GMT 15 Sep 91

[Text] Hanoi VNA Sept 15—The Australian Trade Commission (Austrade) has announced it will appoint a full-time trade commissioner to Vietnam at the earliest opportunity.

The managing director of Austrade, Ralph Evans, said that the appointment of an Australian trade commissioner to Hanoi will build on the already sound commercial relationship which Australia enjoys with Vietnam.

The trade commissioner will be based in the Australian Embassy in Hanoi and will also oversee the operation of the Austrade office which was established in Ho Chi Minh City just one year ago, and is staffed by a local Vietnamese manager.

"The response from Australian business to services offered by our Ho Chi Minh City office was extremely encouraging," said Evans.

"There is clearly a need to provide Austrade's expertise in the north as well, hence the decision to open in Hanoi".

"The addition of Hanoi to Austrade's international network indicates our conviction that very real and worth-while opportunities will develop in Vietnam in the near future, and that Australian companies are well placed to take advantage of them", added Evans.

Australian companies have been successful in Vietnam in a variety of product and service areas, notably in communications, mining and agriculture.

Assembly Delegation To Visit Cambodia

BK1209150991 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 12 Sep 91

[Text] Accepting the invitation of Chea Sim, chairman of the National Assembly of the State of Cambodia, an SRV National Assembly delegation led by Le Quang Dao will officially visit the State of Cambodia in the near future.

Chairman Le Quang Dao Departs

BK1409144591 Hanoi VNA in English 1400 GMT 14 Sep 91

[Text] Hanoi VNA Sep.14—A National Assembly delegation led by Le Quang Dao, chairman of the National Assembly and vice president of the State Council, left here this afternoon for Phnom Penh for an official friendship visit to Cambodia.

The visit is made at the invitation of Chea Sim, chairman of the National Assembly of the State of Cambodia.

With Chairman Le Quang Dao are Huynh Cuong, vice chairman of the National Assembly, and Vu Mao, member of the State Council and president of the Vietnam-Cambodia Friendship Association.

The delegation was seen off by Vo Chi Cong, State Council president and Vo Van Kiet, chairman of the Council of Ministers, and Cambodian ambassador to Vietnam, Auch Borith.

Coffee Beans Exported to PRC, Austria

BK1309071691 Hanoi VNA in English 0613 GMT 13 Sep 91

[Text] Hanoi VNA Sept. 13—The Vietnam National Coffee Export-Import Corporation (Vinacafe) as signed a contract for the export of 200 tons of coffee bean to China, which will be delivered in September and October. Vinacafe will sell to China 5,000 tons of coffee bean next year, then 20,000 tons of coffee bean and instant coffee annually in the following years.

Besides, Vinacafe has also exported to Austria 1,000 tons of coffee bean.

Politburo Member Discusses State Relationships

BK1409073091 Hanoi VNA in English 0553 GMT 14 Sep 91

[Text] Hanoi VNA September 14—The daily NHAN DAN has serialized an article by Vu Oanh, Politburo member and secretary of the party Central Committee, on the renovation of relations between the party, state and people. Excerpts follow:

Renovation in our country can be successful only when our party could gather the strength of the entire people in their capacity as master of our country and their own life and make full use of their material and moral potentials to create fundamental changes for social and economic development and political stabilization.

The party must bring into full play the great capabilities of all social classes and strata to form an aggregated strength of the whole nation for the common revolutionary cause. At the same time, it must build the the all-people unity bloc with the working class, working people and socialist intellectuals as the firm mainstay. So long as different social classes and strata remain, the party and the state must adopt appropriate policies to care for the interests of all classes and social strata but firstly the interests of the working people and on the basis of an harmonious combination.

Experiences gained from the struggle for national independence and in socialist construction and national defence over the past decades show that to make our renovation a success, the people must be armed with Marxism-Leninism and Ho Chi Minh's thought and placed under the leadership of the party of the working class which must work out correct lines and strategies and effectively organize their implementation.

The party must raise its capacity and strengthen its determination and arm itself with the new thinking in order to meet the needs of our time and the people's aspiration.

The party's line, orientations and policies must be the crystallisation of the wisdom of the entire people and respond to the people's desire. It must regularly gather the people's opinions in order to improve and perfect its policies.

Each party member must be equal to his (her) tasks and assignments and maintain close relations with the people and care for their interests.

In the past, when the enemy invaded our country the entire people stood up to fight and drive them out, contribuing everything to the front in order to regain national independence. Likewise, today, in the socioeconomic construction, to build the country and improve the living standards is also the task of the entire people. The people's mastery must be effected in questions relate to the whole community and to the destiny of the whole nation now and in the long-term future.

To make the people become the master of the whole society, the party and people must also care for and consolidate the administration at all levels so as to make it really become an administration of the people by the people and for the people. The administration is an instrument of crucial importance for translating the party line and policies into realities and transforming the people's mastery into the strenght of organization which individual persons cannot possess and into the power of the people serving their own interests.

Political Portrait of New SRV Foreign Minister

91P30189A Ho Chi Minh City TUOI TRE CHU NHAT in Vietnamese 18 Aug 91 p 7

[Article by P.V.]

[Text] Comrade Nguyen Manh Cam was born in 1929 into a working class family in Nghe An. He started his revolutionary activities before the General Uprising at the Vinh National School (truong Quoc Hoc Vinh). He later became secretary of the Hung Nguyen District Youth Group (Nghe Tinh Province) and participated in the activities of the resistance government in Inter-Zone 4.

The comrade joined the Vietnam Communist Party in 1946. In 1952 he was assigned to the Ministry of Foreign Affairs, and since then has worked tirelessly in foreign affairs both within and outside the country. As a specialist in international affairs, he has visited many cities such as Beijing, Moscow, Paris etc... He has held many important posts at the Ministry of Foreign Affairs.

In 1973, he was appointed by the National Assembly to be Ambassador Extraordinary and Plenipotentiary to Hungary where he also was accredited to the Republic of Austria and Islamic Republic of Iran.

In 1977, he was appointed by the National Assembly to be Ambassador Extraordinary and Plenipotentiary to the Federal Republic of Germany and was also accredited to the Republic of Austria and Switzerland.

In 1981, he was appointed vice minister of foreign trade.

In 1987 he became Ambassador Extraordinary and Plenipotentiary to the Soviet Union.

Comrade Nguyen Manh Cam is a career diplomat and an international negotiator. He has prepared and participated in many important negotiations between Vietnam and other countries. He has been the principal member of many CPV [Communist Party of Vietnam] and state delegations on visits to foreign countries.

The comrade was elected to the Sixth CPV Central Committee (1986) and the Seventh CPV Central Committee (1991)

Comrade Nguyen Manh Cam is a college graduate. He is fluent in French, Russian, and English. He is married and has four sons. He is also an excellent ping-pong player.